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TRADE UNIONISM .. IN AUSTRALIA ..

EDITED BY
MEREDITH ATKINSON
1916

A REPORT OF A CONFERENCE
held in June, 1916, under the auspices of
the Workers' Educational Association of
New South Wales, the Economic Research
Society of Sydney, and the Labor Council
of New South Wales

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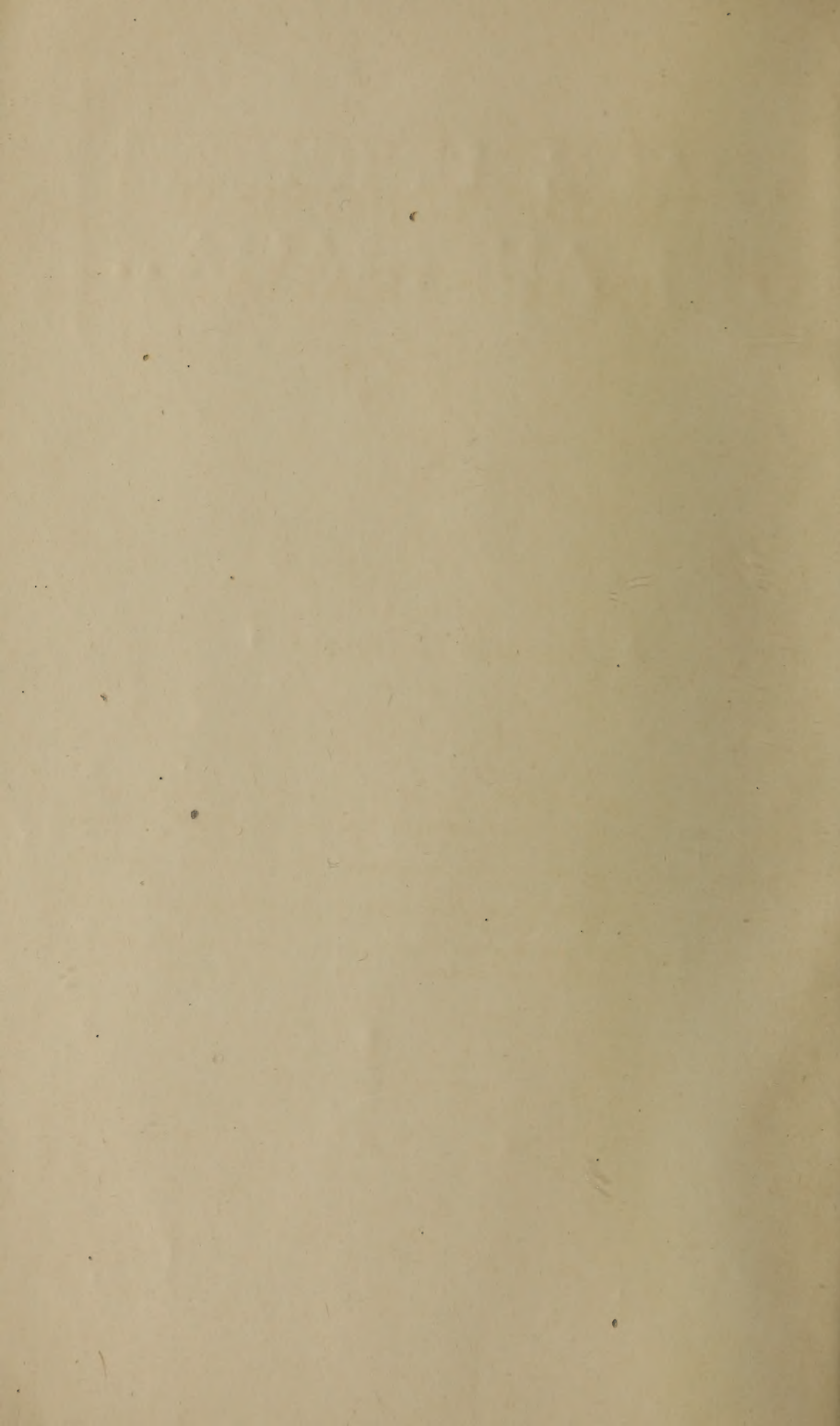


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TRADE UNIONS IN AUSTRALIA

BY
J. H. BURNETT

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..CONTENTS..

	PAGE
1. An Educational Conference on Trade Unionism	5
PROGRAMME OF THE CONFERENCE	6
2. Proceedings of the Conference—THE OPENING ...	8
3. Note on the Discussions	10
4. Introduction. By THE EDITOR	11
5. (1) “Relation of Trade Unionism to Co-operation, Co-Partnership and Profit-Sharing.” By MEREDITH ATKINSON, M.A. (Oxon.); (Director of Tutorial Classes in Sydney University, President W.E.A. of N.S.W. and Hon. Sec. W.E.A. of Australasia) ...	18
(2) QUESTIONS AND DISCUSSION ON CO-OPERATION	27
6. (1) “Trade Unionism and Efficiency.” By R. F. IRVINE, M.A. (Professor of Economics and Commerce in Sydney University)	31
(2) QUESTIONS AND DISCUSSION ON TRADE UNIONISM AND EFFICIENCY	38
7. (1) “Trade Union Administration and Industrial and Craft Unionism.” By the HON. W. G. SPENCE, M.H.R. (Postmaster-General of Commonwealth of Australia)	40
(2) QUESTIONS AND DISCUSSION ON INDUSTRIAL AND CRAFT UNIONISM...	46

8. SECOND DAY'S OPENING PROCEEDINGS	...	...	...	...	48
9. (I) "The Historical Development of Trade Unionism in Australia."	By GERALD LIGHTFOOT, M.A. (Cantab.), and J. T. SUTCLIFFE (both of Commonwealth Census Office, Melbourne)	...	...	...	49
(2) QUESTIONS AND DISCUSSION ON HISTORY OF TRADE UNIONISM	...	...	...	...	73
10. (1) "The Effect of Industrial Legislation in Australia upon the Ideals and Aspirations of the Workers."	By F. W. EGGLESTON (Representative in Australia of "The Round Table")	...	...	...	76
(2) QUESTIONS AND DISCUSSION ON EFFECT OF INDUSTRIAL LEGISLATION UPON IDEALS OF WORKERS...	...	...	...	...	88
11. (1) Industrial Arbitration in Relation to Socialism."	By F. A. A. RUSSELL, M.A. (Syd.), (Barrister-at-Law)	...	...	...	92
(2) QUESTIONS AND DISCUSSION ON INDUSTRIAL ARBITRATION	...	...	...	...	104
12. Impressions of the Conference.	By "OBSERVER"	...	...	...	106
13. List of Organisations Represented, with Names of Delegates	...	...	...	...	109
14. What is the W.E.A.?	...	...	...	...	113

An Educational Conference on Trade Unionism

Early in 1915 the Workers' Educational Association of New South Wales took steps to organise a Conference on the Trade Union movement in Australia. The Economic Research Society of Sydney and the Labour Council of N.S.W. accepted an invitation to co-operate. To explain the nature and object of the Conference, we cannot do better than quote from the circular issued to all Unions and other bodies interested throughout the State.

"As a conference of this nature is entirely new in Australian experience, and its success now depends mainly on the enthusiasm with which it is taken up by the Trade Union movement, we venture briefly to state the reasons which led to the three organisations named undertaking this work, and what we hope will be the result; and if the possibilities of the Conference appear good to you, we would appeal for your support in seeing to it that your Union is well represented."

The great bulk of the students who come under the influence of the Workers' Educational Association are, naturally, most keenly interested in the development of the Labour movement in Australia. There is the desire of the academic mind searching for knowledge, but above all there is the desire of the Trade Unionists to know and understand their own movement. They want to know the origin of the movement, its early struggles, and later development. They want to know and understand the forces that have helped or hindered its progress—that have shaped its policy, and have moulded it to its present form. They want to know and understand those things, that they may know and understand the potentialities of the movement in the future. But, where can they learn it, and who is there to teach them? The history of the Labour movement in Australia has never been adequately written; its experience is diffused over the whole Continent. It should be the work of the Trade Union movement itself to help in gathering that experience together, to sift and to analyse it.

Such is the purpose of the Conference. The method is the best that could be devised to initiate this work. We have been successful in securing the services of some of the ablest men in Australia to prepare papers on various phases of Trade Unionism. Their names, which are here appended, will be sufficient guarantee of the quality of the work. The papers will be read and discussed by the Conference, which will be composed of delegates, principally men and women with practical experience and knowledge of the Trade Union movement. The result can scarcely fail to be most valuable.

In order to cover the cost of publishing the report, it is necessary to charge a delegate fee of £1. Will you see to it that your Union is represented?"

Programme of the Conference.

First and Second Sessions at Trades Hall, Sydney, Saturday,
June 5th, 1915.

Third and Fourth Sessions at the University of Sydney, Monday,
June 7th, 1915.

First Session, 9.45 a.m. to 1 p.m.

CHAIRMAN: HON. E. R. FARRAR, M.L.C.

MR. MEREDITH ATKINSON on—

“Relation of Trades Unionism to Co-operation,
Co-Partnership and Profit-Sharing.”

Second Session, 2 p.m. to 5 p.m.

CHAIRMAN: MR. T. ROLIN, K.C.

PROFESSOR R. F. IRVINE on—

“Trades Unionism and Industrial Efficiency.”

THE HON. W. G. SPENCE on—

“Trade Union Administration and Industrial and
Craft Unionism.”

Third Session, 9.45 a.m. to 1 p.m.

CHAIRMAN: MR. W. ROSSER

(President of the Railway Workers and General Laborers'
Association of New South Wales).

MR. GERALD LIGHTFOOT on—

“The Historical Development of Trade Unionism in
Australia.”

MR. F. W. EGGLESTON on—

“The Effect of Industrial Legislation in Australia upon
the Ideals and Aspirations of the Workers.”

At 1 p.m. the Conference was entertained to lunch by the
members of the University Staff.

Fourth Session, 2 p.m. to 5 p.m.

CHAIRMAN: PROFESSOR J. B. PEDEN.

MR. F. A. A. RUSSELL on—

“Industrial Arbitration in Relation to Socialism.”

Questions and Discussion followed each Paper.

Proceedings of the Conference

THE OPENING

The Conference was declared open by Mr. Meredith Atkinson, President of the Workers' Educational Association of New South Wales. For the information of the delegates, he described the nature and scope of the work of the W.E.A., that Conference being another important step towards the creation of an educated democracy. The President then introduced the distinguished visitors—The Hon. H. C. Hoyle, M.L.A., Minister for Railways, representing the State Government; Mr. G. H. Knibbs, Commonwealth Statistician; and Dr. L. B. Radford, Bishop of Goulburn. It was expected that Mr. Justice Heydon, of the Industrial Arbitration Court, would also be present at a later stage.

Unfortunately, papers by Mr. A. B. Piddington, Chief Interstate Commissioner, and Mr. J. B. Holme, Industrial Registrar, would not be read, owing to the illness of the former and to pressure of official business in the case of the latter.

There were 118 delegates present, representing 55 Unions and Societies. This was an excellent response from the Trade Union movement. The President welcomed also the large number of the general public present.

At this point, a delegate asked, "Is it intended to allow discussion? Some of the papers will have a rough passage. The book will go all over the world and will be read and quoted as the expressed opinion of the workers of Australia. If the

paper I have read is an average sample, they are going to arouse a storm of adverse criticism."

The President replied that the fullest opportunities for discussion would be given. The daily press had been notified and it was expected that the proceedings would be fully reported.

The Hon. E. R. Farrar, M.L.C., then took the Chair. He expressed his thanks to the Committee for the honor conferred upon him in electing him as first Chairman. He at once called on some of the visitors to say a few words.

The Hon. H. C. Hoyle (Minister for Railways), on behalf of the State Government, said he could assure the Conference of the sympathy of the Government. These proceedings would be watched with the keenest interest, and he was sure that the investigation of these subjects must bring a very healthy influence to bear upon public life. The world had lost much of the best brain-power of the workers through the lamentable lack of facilities for their proper education. The principal objective in the training of the mind was surely that it enabled one to be of benefit to one's fellows, both through environment and personality. His own belief was that the State should be the supreme employer and controller in industry, and that the profits should be utilised to raise the workers to a higher level of life. The efforts of the W.E.A. must be directed towards uplifting the workers to a loftier plane of intelligence, on which they could realise more fully all that life could offer them.

Mr. G. H. Knibbs, C.M.G., F.S.S., said that he believed that character was the real foundation of national greatness, as was proved by history in general, and the history of the British Empire in particular. The true function of education was to develop character, and character expressed itself in efficiency. The efficiency of Australia could be raised to a higher plane. German efficiency had been misapplied, and her humiliation would be a benefit to the world. He expressed the hope that this was the first of a series of Conferences which would prove of immense value and have far-reaching consequences.

Note on the Discussions

Arrangements were made before the Conference for the discussions to be fully reported by a competent stenographer, who volunteered for the work. Unfortunately, however, he failed entirely to supply the editor with the necessary matter. We have, therefore, been compelled to compile the discussions from scattered notes, after an interval of three months. We apologise sincerely for the delay thus caused, and for the deficiencies and errors inevitable in the circumstances. We crave the indulgence, both of those delegates actually reported, and of those not reported. Under very trying conditions, we have done our best, and could not face the further delay entailed by submitting the reports to the various speakers. If the second edition be called for, we hope to profit by the corrections and additions supplied by our readers.

INTRODUCTION

BY THE EDITOR.

The group of papers embodied in this report does not claim to present a complete account of Trade Unionism in Australia. They were written by men of great experience in the world of economics and industry, but differing widely in training, and writing without any attempt at collusion or conference prior to the actual reading of the papers. It is remarkable, therefore, how clearly can be traced, through most of the papers, certain leading ideas which give them some claim to incorporation in one book under a comprehensive title. To bring this fact into high relief, we place below a series of extracts exhibiting this central idea.

"Undoubtedly the most important and significant activity of trade unionism has been in the sphere of the Wages Board system, coupled with the high state of development reached in the political sphere, by the almost complete concentration of trade unionism on the conquest of the powers of government. On these two activities trade unionism has spent almost its entire force in the last twenty years. It seems now to be approaching the stage beyond which further intensification and amalgamation of forces must be very limited. The Wages Board system has already produced a race of union secretaries who are little more than expert advocates of the case for their members before boards or courts. It seems not unfair to say that these men have been driven to become officials instead of leaders. Their life of specialised routine unfits them for the spacious vision and keen study absolutely essential to right leadership. Nor is there much consolation to be found in turning for leaders to the sphere of politics. The very success and high concentration that has brought decisive victories to Labour at the polls has created a form and spirit of government alien to the production of the best type of leader. This is the misfortune rather than the fault of Labour, but it is none the less dangerous to the community. But Labour has rested too content with the possession of majorities which can easily carry into effect the behests of Political Labour Leagues. It would be futile to expect that the political achievements of Labour's representatives will ever be far in advance of the economic knowledge and social ideals of the organised Labour movement. The large extension of State action by Labour Governments may be urged as a proof of the existence of such knowledge and ideals. This enlargement of the influence

of the State in augmenting Australia's natural advantages and raising the standard of social welfare has had results which are admittedly admirable. It is in the reaction of these collective activities upon the spirit of trade unionism that one must expect to find less beneficent influences. In the last ten years especially the workers have learned to lean upon the State to a degree altogether subversive of the finer spirit of positive effort and social idealism which characterised the earlier history of the Labour Movement. The Australian worker has become more or less content to shout orders to his Parliamentary employees, and to sit and wait for pleasing results. It is easier to demand a State bakery than to establish one on co-operative principles. And yet, there is no room for doubt as to which form is a better proof of the social spirit and a finer training in civic duty. Not that voluntary co-operation is always to be preferred to State action; far from it. It would not be difficult to delimit their respective spheres. There is no doubt, however, as to which form of activity trade unionism most stands in need of to-day, if it is to be saved from its drift towards a barren and negative policy, and infused with a spirit of positive social effort whose end is to raise the moral and material status of the worker without any limitation imposed by capitalism." . . .

"The main difficulty to be emphasised, as already suggested, is the increasing impatience of the Australian worker with anything like discipline from above, a characteristic which does him credit in his struggle to better his condition, but one which, if carried forward into the sphere of co-operation, would result in certain failure." . . .

"It is to be hoped that the trade unionist will realise these questions do not by any means lie beyond his proper sphere, but that he stands to lose enormously in the future by neglecting them. My own belief is that the State of the future will be built, not merely upon municipal or national enterprise, or upon any single form of self-help, but upon all these forms and others like them, as varied as the needs and activities of the people themselves." (M. Atkinson).

"So it is claimed higher wages and standards of living and shorter hours of work, have resulted in social progress, and this ultimately reacts upon efficiency. There is much truth in this contention, but the results claimed have been indirect and unintended . . . and the fact still remains that Unionism has not seriously considered the question of efficiency. . . .

"In Australia most of the traditional aims of Trade Unionism have been achieved, or nearly achieved. . . . What, then, is left to occupy the attention of Trade Unionists? Failing new purposes, there seems to be little except to act as watch-dog or to become political organisations for the support of a particular party. In either case, what hope is there that a new idealism will be developed, or that the traditional policies will be extended? . . . In its first stage the problem is one of distribution. . . . But the problem cannot long continue to be merely distributive. . . .

"Working men have shown that they are capable of a high degree of organisation for special purposes. Their weakness to-day, it seems to me, is that their ideals and purposes have not developed with the times. My conviction is that their traditional

aims must be enlarged so as to include the hundred and one social problems on the solution of which further progress and welfare depend. This enlargement means much more than putting planks, often unseasoned, into a platform. It means a resolute determination to study and learn and discuss, and a willingness to co-operate with every other group of thinking and sincere men. Only by so doing, it appears to me, can the movement retain the creative force and idealism it once possessed. I do not believe that it will thereby become too altruistic and visionary, or unmanageably broad in its scope. There are numerous tangible things it can get to work on immediately, and there are many more that will be practicable in the near future. In any case, it is better to take the risk of being dubbed visionary than to die of lack of ideas and constructive policy." (Prof. R. F. Irvine).

"The history of the movement is one of martyrdom and splendid self-sacrifice. It has had to fight ignorance, prejudice and unjust law. To-day it is recognised as an institution in the community, and is considered even respectable. It no longer calls for the heroic self-sacrifice and suffering which was the lot of its active members in the past; but its work is still unaccomplished, and its mission in our social economy is not yet fulfilled. Conditions have changed, and the leaders in the trade union movement must realise that changes in the methods, rules and management of organisations must keep pace with the evolution in our social system.

"There is a tendency in all organisations to become conservative. Unions are not commercial organisations; but some of them become so when they pay more attention to the hoarding of funds than to the spending of money for the common good. A union with large funds, but with only seventy-five per cent. of those in the industry it is concerned with, is not as strong as one with little money but with one hundred per cent. of the workers in its calling within its ranks, as a result of spending its funds wisely. The power of unity and solidarity is greater than the power of money. . . .

"Apathy and easy-going carelessness has been the curse of the workers. It would seem as if their economic dependency on some other man for the right to work had sapped and dried their initiative. . . . Wage slavery will continue, unemployment will increase, cost of living keep on rising, and a host of other self-evident evils associated therewith, multiply themselves, if the trades unions fail to get out of the old rut and tackle the admittedly tremendous problem."

"We must not expect too much from even a Labor Parliament. Much has been accomplished, and there will be advance, and inevitably some mistakes, but that, after all, is what a sane mind expects of all human actions. . . . We have entered into a new field and it is admittedly a difficult one. Officers and members of unions who may be splendid men in connection with industrial matters and the technique of their craft, may be ignorant of economic thought. The field we have entered upon is one which calls for the widest knowledge. It covers the whole field of human activities. . . . We must give him [the unionist] wider opportunity of study of problems of government, of philosophy, of ethics, as well as economic thought, and his practical mind and commonsense will do the rest." (The Hon. W. G. Spence).

"Finally it has been shown how the practical policies adopted as the outcome of the new unionism, with the object of regulating industrial conditions and ameliorating the lot of the workers, have given rise to problems of far-reaching importance. . . [The history of trade unionism in Australia] shows also the power of the workers to combine out of their own resources and to look inside their own class for ideas and leadership. . . . Though there is in some sense an idealistic element in the trade union movement that gives it a certain moral force, yet historical examination shows that practical considerations have largely dictated a policy which may perhaps be best described as pragmatism. Attention has been directed to some of the more important problems that have arisen in carrying out that policy. Not only do these problems afford a rich field for economic and political research, but it appears probable that deliberate and conscious advance towards the realisation of the ideals of trade unionism must depend largely upon the success with which these problems can be attacked. Moreover, a study of the internal structure of trade unions, the prolonged trial of the machinery of representative government, and the frequent invention of new forms and devices for improved administration and organisation, offer valuable material for generalisations full of interest and significance to the student of democracy and the statesman." (Messrs. Lightfoot and Sutcliffe).

"The workers are tame, fat, scant of breath, and scant of moral and intellectual ideals. I am not a candidate for Parliament, so I can afford to speak the truth, and there is no one who needs the truth from one who believes in them more than the Australian workers. I have frequently been shocked at the backbiting and re-creation, the disloyalty and lack of solidarity displayed. . . . We must realise that, as evolution progresses from stage to stage, there is a change in the process. In the earlier stage each upward step involved a higher demand upon the intellectual and moral resources of the individuals concerned. The Democratic movement in Australia has reached this later stage. It awaits higher conception of social duty, more intellectual and moral activity. . . . It is when we look deeper and consider the trend of newer developments that we see, however, how small the real advance has been. . . . The industrial legislation in Australia involves no revolutionary change in the relation of employer and employee. It recognises the wage system, and perpetuates it. It checks any attempt to upset it. . . . This summary of this phase of Australian development presents a characteristic incident in social evolution. First, a rapid advance, overcoming the obvious barriers to progress, and then a deadlock, in which further progress seems difficult, if not impossible, and we are inclined to question the advance that has been made. The real truth is, that further advance demands qualities in the human beings involved of an altogether higher order, and until these are forthcoming, advance is impossible. This seems to be just the position in Australia. We have gone as far as legislation and mechanical means can take us. We have our higher wages, our increased comfort and the like; but we have not inaugurated a new order. We still have the crude antithesis between capitalist and proletariat. We have not seen the appearance of a higher order of being, but still the mass, with its narrow outlook, its somewhat low aims, and its disorganisation. The complete lack of any intel-

lectual grasp of the difficulties of the problem, and of any alternative methods to meet the situation, is conspicuous. Hope for the future depends upon new ideas and more refined methods. We may get Labour Governments in power, but without a revolution in the spirit of the worker, and a higher quality of his mentality, there will not be real progress. . . . What is required is hard and patient thought, a spirit of personal service, and self-sacrifice; above all, the habit of fellowship—a higher interpretation of our duty to our fellows. . . . State action alone cannot achieve purely economic results. It may be a factor in those results, but it can only be one factor among many. State action is only successful in so far as it produces a responding activity in the citizens, and it is this responding activity which is the important thing, and which is the real cause of any economic result. . .

“Does not the problem resolve itself somewhat as follows:— Unless the workers are willing to accept some of the responsibilities and to exert some of the faculties of management and control, the case for higher material benefits in industry falls to the ground; while if the workers show that they can share in the responsibilities, as well as participate in the control of industry to advantage, the case against the workers’ improvement falls to the ground. . . .

“ . . . Political achievements, however necessary to redress the balance in favour of the worker, are only the beginning of the problem. The real conflict comes when the worker gets into personal and individual contact with economic problems, meets economic forces, suffers defeat, is baffled by influences which he hardly understands, but gradually learns the sacrifices that are needed, the lessons that must be learned, and gradually develops the qualities and intelligence which must come before success is achieved. Politics is not the royal road to economic advancement that we in Australia think it is. There is no royal road. The only road is the hard and narrow road of personal, disinterested, self-sacrificing, intelligent mutual effort. . . .

“I have felt all through that it is intensely unfair for one who, though thoroughly imbued with the ideals for which workers stand, has never had actually to face the difficulties of their position, to endeavour to fasten the whole responsibility for improvement in the social order upon them. . . . My position is one of entire confidence in the success of the workers if they will accept that responsibility. . . . If he [the worker] sees where his strength lies and relies upon himself, not only will his own position be improved, but he will permanently improve the whole social order.” (Mr. F. W. Eggleston).

The leading points in these extracts stand out with telling clearness, and are worthy of enumeration and some little discussion.

(1) It is generally agreed that Trade Unionism in Australia, and its political expression, the Labour Party, has reached the end of a great phase in its programme of development. It is suffering chiefly from a lack of ideas. Not only has it left behind that wonderful period of strenuous pioneering, but it seems to have used up the gifts and inspiration of the pioneers themselves. Those early leaders got their education in the hard school of experience.

The younger generation of Unionists is in that stage of transition before the full benefits of improvements in public education have been reaped, and when the older school is rapidly passing away.

(2) The workers have learnt to rely far too much upon Parliamentary effort alone. This has produced two main effects:—(a) A belief that things economic are easy to understand, and easy to change; (b) inevitable disappointment in the failure of Labour Governments to make a new heaven and a new earth. The workers have not yet learnt that something more than abuse and criticism of their elected representatives is necessary to solve the problems of Labour.

(3) The questions of Labour and Capital are still being treated in the old-fashioned, traditional ways. The worker is still content to fight the capitalist with all his might, without ever seeking to analyse the complexities of commerce, or ever thinking that they have any vital relation to him. There is a most pressing need of study by the worker of economic problems that seem at first sight to carry in them nothing of interest to him. Labour leaders themselves have learned, by a short experience of the responsibilities of government, how entirely necessary is such close study.

(4) Very few workers realise that their own movement is teeming with facts and processes not yet analysed, the study of which is of incalculable value to themselves and the race. Recent signs, however, show that this apathy and neglect are destined to disappear.

(5) The self-complacency of the Australian workers greatly retards their intellectual progress. Though the achievements of their movement are very remarkable, the present barrenness of ideas threatens it with a stagnation worse than defeat. They must learn to assess alike the realities and the illusions of progress, and to re-interpret progress constantly in the light of ever-changing situations.

All the papers pay a generous tribute to the great work accomplished, for Labour and the world, by the Trade Union Movement. but the great lesson of the Conference was the instant need for the education of democracy—in other words, for pressing forward such activities as those of the Workers' Educational Association. History has left to us one great experiment still untried, the great adventure of civilisation, the creation of an enlightened democracy. No new form of society can supersede an outworn age, without dropping something of value in the process. The rapid growth of democratic institutions has certainly caused some loss in national effectiveness, chiefly by the dissipation of functions of control and government amongst the mass. While this process has moralised many of our

social and economic activities, the task of creating higher levels of efficiency in the individual and the State has been made immensely more difficult. To this new crop of problems there is only one solution—the higher education of the people in all matters of civic duty and public concern. We must avoid the peril of mistaking advanced social legislation for advanced social efficiency. The latter can only be attained by the intensive cultivation of the citizen-mind, a slow and discouraging process, but the only one that will ensure the continuous ferment of thought and life, without which real progress is impossible.

Relation of Trade Unionism to Co-operation and Co-partnership

BY MEREDITH ATKINSON, M.A.

It needs but a slight investigation of the subject of Co-operation in Australia to discover the meagreness of its volume and the slow rate of its development. The only great success to be recorded is that achieved by co-operative dairying, especially in butter-making. The most important of the statistics available, relating to various phases of Co-operation in Australia, and some comparison with the movement in England, are appended below.

LIABILITIES AND ASSETS OF AUSTRALIAN CO-OPERATIVE SOCIETIES, 1913-14.

State.	Total Liabilities.	Total Assets.
New South Wales	£444,765	£444,765
Victoria	336,794	346,444
Queensland	12,694	13,645
South Australia	180,644	195,161
Western Australia	98,496	98,496
	£1,073,393	1,098,511

GENERAL STATISTICS OF AUSTRALIAN CO-OPERATIVE SOCIETIES, 1913.

	N.S.W.	Victoria,	Q'land.	S.A.	W.A.	C'nwealth.
Number of Societies ...	40	36	4	7	8	95
Total Number of Members	30,586	19,450	15,955	12,904	1,515	80,410
Total Income for 1913 ...	£1,469,547	£626,413	£16,216	£394,599	£286,314	£2,793,089
Working Expenses for 1913... ..	£1,342,564	£120,550	£15,704	£62,601	£282,379	£1,823,798

PROGRESS IN NEW SOUTH WALES.

	1908	1909	1910	1911	1912
No. of Societies	39	40	49	40	40
No. of Members	—	—	—	23,083	26,767
Reserves and Net Profits	£75,010	£81,356	£96,963	£101,471	£103,707

“Considering the small amount of capital invested, the results obtained were surprisingly good, and afford liberal inducements for the further development of these institutions. The majority of existing societies are engaged in general trading, but individual societies are engaged in the produce trade, in baking, dispensing, timber-cutting. Societies established outside the metropolitan and suburban districts are, almost without exception, in the mining districts.

“During the year 1912 the sales amounted to £1,306,250, and the expenses, including interest and depreciation, to £209,621, equal to 16 per cent. on the amount of sales. The balances of profit amounted to £113,820, but in five cases there were losses amounting to £649. The profit on sales was at the rate of 8.7 per cent. A summary of the results of 2331 societies in the United Kingdom shows that the proportion of expenses and of profit to sales were 8.27 per cent. and 9.83 per cent. respectively.” (N.S.W. Government Statistician.)

There appear to be no statistics of co-operation in Tasmania.

Several Australian societies have a turnover of over £100,000, and pay dividends varying from 1/6 to 2/6. Adelaide Co-operative Society, which is 45 years of age, does a business of over £200,000 per annum. The only Co-operative Wholesale Society is that of N.S.W., recently established at Newcastle. Distributive co-operation in Australia reaches only 5 per cent. of the population, whereas British co-operation reaches 25 per cent.

STATISTICS OF BRITISH CO-OPERATION, 1913.

No. of Societies	1,530
No. of Members	3,011,390
Capital	£56,413,411
Total Trade	£130,011,066
Profits	£14,260,414
No. of Employees	145,774
Wages Bill	£8,491,448

Agricultural Co-operation in Australia: In 1912 there were 68 Co-operative Butter Factories in New South Wales, their output comprising 75 per cent. of the State's total. There are also several co-operative federations for the sale of country produce, the largest of which has a turnover of nearly £1,500,000. Victoria has about twenty Farmers' and Fruitgrowers' Societies, besides Co-operative Butter, Cheese and Bacon Factories. South Australia is also successful in the application of co-operation to agriculture.

The scope of this paper does not admit of more than a glance at the relation of Trade Unionism to Agricultural Co-operation. Trade unionists are, of course, greatly interested in the prices of food stuffs, and in so far as agricultural societies eliminate the superfluous middleman, they at least tend to confer on the workers the benefit of diminished costs through a lowering of the retail price. This advantage may, however, be cancelled by such societies as are powerful enough insisting on a high market price. The main objective of this form of Co-operation is to effect a saving for the producer by releasing him from control by middlemen. This may or may not result in benefit to the consumer, except that quality is likely to be much higher than under unrestrained competition. Probably its most direct social benefit is that conferred upon the community in general by the increased trade resultant from the enormous increase in efficiency and productivity which inevitably flows from Co-operation. It is, nevertheless, quite clear that Trade Unionism has only a remote relation to Agricultural Co-operation. The much more vital question of the relation of the workers to more industrial forms of Co-operation by Producers will be discussed later.

CO-OPERATION BY CONSUMERS AND PRODUCERS

The achievements of co-operation in the sphere of distribution in Australia, though not great and general enough to deserve the title of a "Co-operative Movement," are considerable enough to show that, given anything like favourable conditions, co-operation will flourish in Australia. I conceive it to be my task to show why it has not flourished in the past, and to indicate its affinity, if any, with trade unionism, and the desirability or otherwise of their closer alliance in the future.

In England Trade Unionism and Co-operation were twin movements, born of labour, brought forth amid the terrible travail of the Industrial Revolution, under the stress of social oppression and industrial tyranny. Both were attempts of the workers to elevate their social and industrial status, one in battle or negotiation with the capitalist, the other by extricating themselves from his control.

In Australia neither Trade Unionism nor Co-operation was called upon to endure such a goading stimulus. Trade Unionism has succeeded through the logical application of the democratic franchise, while Co-operation has largely failed because the success of Trade Unionism robbed it of its main historic incentive.

Let us enquire what are the chief factors which account for the peculiar development of trade unionism in Australia. The Australian Labour Movement began to take real form in the 'seventies, stimulated by the legislative reform which encouraged the English unions in the same period. Labour unions had, of course, been quite common in all the States long before that, but the success which has made the movement famous began with the efforts of the workers to secure political representation. The story of that success has been so often told as to require no repetition here. Its importance and completeness are evidenced by the fact that in only one State is there a non-Labour Government. It must be conceded that the Labour movement has been directly or indirectly responsible for the large mass of social legislation passed during the last generation. Much of the success of this legislation has been due to its boldness and comprehensiveness. But it would be idle to deny that its operation has been largely favoured by a combination of circumstances, which also account for the sweeping victories won by Labour. In the first place, Australia was a virgin country, very little spoiled in the earlier half-century of its development. It had inherited no feudal landlordism, with its traditions of servility and homage to outworn institutions. It escaped the worst afflictions of an old industrial system, and soon abolished the more unseemly features of modern industrialism. The democratic franchise was gained in time to place the impress of the people's will upon all Australia's youthful institutions. It is none the less remarkable, however, that this land flowing with milk and honey was not given over entirely to exploitation by that intense form of individualism which characterises the early progress of almost every new colony. That Australia has been saved from the worst effects of that spirit is due almost entirely to the Labour Movement.

The aggregate achievements of organised labour and their effect upon the standard of welfare are very noteworthy. They include a striking series of Factory Acts, which have produced more desirable working conditions than those existing in any other country, and a higher rate of real wages than that obtaining in any other part of the Empire. Undoubtedly the most important and significant activity of trade unionism has been in the sphere of the Wages Board system, coupled with the high state of development reached in the political sphere, by the almost complete concentra-

tion of trade unionism on the conquest of the powers of government. On these two activities trade unionism has spent almost its entire force in the last twenty years. It seems now to be approaching the stage beyond which further intensification and amalgamation of forces must be very limited. The Wages Board system has already produced a race of union secretaries who are little more than expert advocates of their case for their members before boards or courts. It seems not unfair to say that these men have been driven to become officials instead of leaders. Their life of specialised routine unfits them for the spacious vision and keen study absolutely essential to right leadership. Nor is there much consolation to be found in turning for leaders to the sphere of politics. The very success and high concentration that has brought decisive victories to Labour at the polls has created a form and spirit of government alien to the production of the best type of leader. This is the misfortune rather than the fault of Labour, but it is none the less dangerous to the community. But Labour has rested too content with the possession of majorities which can easily carry into effect the behests of Political Labour Leagues. It would be futile to expect that the political achievements of Labour's representatives will ever be far in advance of the economic knowledge and social ideals of the organised Labour movement. The large extension of State action by Labour Governments may be urged as a proof of the existence of such knowledge and ideals. This enlargement of the influence of the State in augmenting Australia's natural advantages and raising the standard of social welfare has had results which are admittedly admirable. It is in the reaction of these collective activities upon the spirit of trade unionism that one must expect to find less beneficent influences. In the last ten years especially the workers have learned to lean upon the State to a degree altogether subversive of the finer spirit of positive effort and social idealism which characterised the earlier history of the Labour Movement. The Australian worker has become more or less content to shout orders to his Parliamentary employees, and to sit and wait for pleasing results. It is easier to demand a State bakery than to establish one on co-operative principles. And yet, there is no room for doubt as to which form is a better proof of the social spirit and a finer training in civic duty. Not that voluntary co-operation is always to be preferred to State action; far from it. It would not be difficult to delimit their respective spheres. There is no doubt, however, as to which form of activity trade unionism most stands in need of to-day, if it is to be saved from its drift towards a barren and negative policy, and infused with a spirit of positive social effort whose end is to raise the moral and material status of the worker without any limitation imposed by capitalism.

But it is not merely with the object of recreating within the body of Labour the spirit of social idealism that I urge the claims of Co-operation. I maintain that it is absolutely essential to the material advancement of Labour that it shall enter upon a new field and move to fresh conquests. The great aim of all social reform, and particularly of sane trade unionism, is to defeat exploitation, and to provide the fullest opportunities to all workers of enjoying all possible facilities for a complete and happy existence. In the complex modern State it would be futile to adhere slavishly to one method or doctrine. Neither State action nor trade unionism has gone far to defeat exploitation. The worker is almost as far as ever from real control of his own industrial life, and above all from that security of tenure so essential to continuous happiness. Without industrial co-operation, both for distribution and production, the worker will remain divorced from the reality of ownership and control without which his economic life must always be precarious, and his social education seriously limited.

The natural limitations of the raising of wages have been borne in upon the workers in recent years. Such increases as they have been able to secure are apt to be cancelled by a rise in prices, or the influence of commercial depression, or by an extension of machinery. Apart from the possibilities of State action in the direction of fixing prices—a matter beyond the scope of this paper—Co-operation seems to be the only way of making fully effective any advance in the economic welfare of the workers. Certain it is that the organisation of capitalism will become more and more intense and powerful in the near future. The economic factors of the future are almost as much against the interest of the worker as in the past, if they are to be left in anything like freedom to develop their power. Organised labour will, therefore, be compelled to create either a vast and complicated State machine or a form of society which, through all forms of Co-operation, State and voluntary, will ensure material welfare and supply the spiritual dynamic, which alone can save society from slavery to the machine.

To which of the several forms of Co-operation shall the trade unionist devote himself? To Distributive Co-operation, Productive Co-operation, Co-partnership, or Profit-sharing? The early Co-operative movement in England spent itself in vain endeavours to build up producing communities and self-governing workshops. Late in the century there occurred a notable revival in Productive Co-operation, and there is now a considerable and successful movement, doing a trade of several millions a year. The productive departments of distributive societies enjoy a trade of nearly twenty-five millions, while their purely distributive activity involves sales of the value of nearly £120,000,000, with a profit of £12,741,000.

There is a wonderful opportunity for trade unionism in Australia in both these great departments of Co-operation. Distributive Co-operation means better quality and the return of profits to the consumer, especially when it is linked up with Productive Co-operation through 'a Co-operative Wholesale Society. It is this side of the movement that has come into sharp conflict at various times with the more purely productive societies which distribute their profits, not amongst the consumers but amongst the producers. This has been called the Irish question of the Co-operative movement. I do not think it need have much concern for us in Australia, though a few words of explanation are necessary. The argument for consumers' Co-operation maintains that the control of production should not be left to the producers, whose interest is in dearness and scarcity, and therefore antagonistic to that of the consumer, who desires cheapness and plenty. Government by political democracy is essentially control by consumers, whereas to hand over a trade to the full control of its own workers is to bring a sectional interest into power, with inevitable conflict between that interest and the general community. In point of fact, however, much of this difficulty is overcome by federation of Productive Societies, and every extension of the movement reduces the danger, for ultimately the body of producers and that of consumers will become virtually identical. Meanwhile, the promotion of a strong Wholesale Society is a ready means of beginning a producers' movement with an assured market.

Probably it will be found that trade unionism will achieve more immediate and lasting results in Co-operation in Australia through the direct promotion of Co-operative Workshops. In the vast majority of cases Australian trades have not yet developed to such dimensions as to preclude experiments of this nature. In 1912 there were only 327,456 employees in factories in the Commonwealth. It would be quite practicable for trade unions connected with such trades as furniture, boots, clothing, printing, and flour-milling, to raise the necessary capital to start a factory on the Co-operative principle. The protection of the tariff, the higher standard of education and of comfort, the absence of big trusts, the ever-increasing market, the assured prosperity of the country, and the lessons of past attempts in other countries, constitute a combination of circumstances entirely favourable to such a movement.

The most serious difficulty in the way of self-governing workshops is not lack of capital, or even of markets, but the tendency to adopt a too extreme form of democratic control. The Australian workers, from the love of independence so characteristic of them, would probably find particular difficulty in securing the discipline and efficiency of management essential to industrial success. It is always the supreme act of self-denial in a democracy to endow its

elected leaders with dictatorship. But disaster will come upon industrial co-operation if the management is selected, not for business efficiency but because of democratic services or personal beliefs, and if such control is robbed of its reality by constant interference from the rank and file. Many a self-governing workshop, and many a labour periodical has broken upon this rock. Another form of abnegation almost as essential is the recognition that an association of producers cannot stand alone, but must be linked up with associations of consumers, either through voluntary societies, or with various State activities. It would be courting disaster, for example, to start a Co-operative Furniture Factory without any business connection being formed, either with local distributive societies, or a co-operative wholesale society. Moreover, no such venture should be inaugurated by a single union, but by a number of unions in sympathetic co-operation. My conclusion is that co-operation by producers is perilous when isolated, but of great promise when conjoined with other forms of co-operation, which will broaden the basis of its activity and provide it with a stability unrealisable in isolation. Many other difficulties, both technical and moral, will require discussion before action could be taken. The main difficulty to be emphasised, as already suggested, is the increasing impatience of the Australian worker with anything like discipline from above, a characteristic which does him credit in his struggle to better his condition, but one which, if carried forward into the sphere of co-operation, would result in certain failure. Equally ill-advised would be any attempt to limit the benefits of Industrial Co-operation to those adhering to any one political party. It would be unwise for the practical reason that co-operation can only succeed with the widest possible market, and for the moral reason that it would be unfair to limit its advantages to any section of the community.

It must now be perfectly clear that the problem resolves itself chiefly into one of education. The workers of Australia will further justify their reputation for keen intelligence by seizing the opportunities now being placed before them by the Workers' Educational Association, of educating themselves, particularly in History and Economics. Further, an Australian Co-operative Congress is to be held in Sydney, probably in 1916, when trade unionists will be afforded a good chance of acquainting themselves more intimately with various aspects of Co-operation. Another crying need is the establishment of a Co-operative Union and a Co-operative Wholesale Society in each State. It is to be hoped that the trade unionist will realise these questions do not by any means lie beyond his proper sphere, but that he stands to lose enormously in the future by neglecting them. My own belief is that the State of the future will be built, not merely upon municipal or national enterprise, or

upon any single form of self-help, but upon all these forms and others like them, as varied as the needs and activities of the people themselves. In such a State, trade unionism and co-operation should find themselves in an honourable and natural alliance for the elevation of the workers.

Co-Partnership and Profit-Sharing : I have not been able to discover any notable examples of co-partnership in Australia, while of profit-sharing only half a dozen cases have come to light, none of which presents any novel features. I conceive the almost entire absence of these forms of agreement between employers and employed to be due firstly to the comparative youth of Australian industries, and secondly to the existence of a spirit of hostility and suspicion between capitalists and workers, caused in the main by their being ranged into highly organised hostile camps by the system of Industrial Arbitration. For these and more fundamental reasons I see no bright future before co-partnership and profit-sharing in Australia. The success of such schemes varies exactly with the generosity of the conditions conceded by the employers. So far as I have been able to observe, the sharing of profits has been received only passively by the workers. It is most unlikely that the temper of Australian employers will permit of any great concession of industrial control. More seriously, it may be urged, that neither of these schemes can possibly issue in the complete salvation of the workers from the conditions contingent upon exploitation. Further, the fact that such schemes are a menace to trade unionism, and are apt at any moment to place the workers at the mercy of their employers, is a standing obstacle to their adoption. While, therefore, it would seem possible that various Australian firms may offer their workers a share of profits or control, and achieve quite desirable results, I hold that neither Profit-sharing nor Co-partnership can go far to solve the industrial problem, and in few countries have they less favourable prospects than in Australia.

DISCUSSION ON CO-OPERATION

Mrs. Dwyer and Messrs. Rosser, Pulsford, Scrimshaw, Spence, Flynn, Guihen, Seidlecky, and others took part.

A delegate pointed out that Trade Unions frequently came into conflict with co-operators, and that their big dividends made them selfish. Mr. Rosser asked for definite proposals. Co-operation sometimes involved sweating.

MR. F. GLYNN: "You believe, then, in the federation of the interests of producers and consumers, in order to secure the benefits of co-operative effort?"

Answer: The objects of all forms of co-operation was to displace the capitalist, especially to rid society of the worst forms of exploitation. Any co-operative effort which was to achieve ultimate success must cover every field of production, from the primary producer to the final consumer.

MRS. DWYER: "Is it not a recognised fact that in Great Britain Trade Unionism, Socialism and Co-operation are the allied forces that must supplant Capitalism?"

Answer: Trade Unions, Co-operative Societies and Socialist Organisations were not in alliance for political activity, though there was considerable sympathy between them. In some countries, *e.g.*, Belgium, Socialist and Trade Union bodies promoted co-operative societies with great success. In the lecturer's opinion, if Trade Unionists were to succeed in this movement they must not introduce into co-operation the riving influence of political partisanship.

MISS MATTHEWS: "Will the lecturer give us a definition of the difference between co-operation and co-partnership?"

Answer: Co-operation was that form of industry which dispensed with capitalistic control and ownership. the people themselves both controlling and owning the business. Co-partnership was that activity which recognised an agreement between employers and employees, but provided a very limited concession of control of the industry to the workers; it generally involved also the sharing of the profits, without necessarily any reference to the control of the profits. There

were many degrees and forms of co-partnership, right up to active co-operation, but in general the term implied a limited concession of control and profits.

MR. D. O'SULLIVAN: "Will co-operation abolish unemployment, which causes the wages of the employed to be always open to attack from their less fortunate comrades?"

Answer: It was impossible to expect a solution of the unemployment problem from any one form of co-operation. Unemployment was the result of defective economic and social organisation. If they could cover Australia with a network of co-operative industry in all its various forms, they could practically ensure the removal of the danger of unemployment. Every improvement in industrial organisation was a further step towards the solution of that problem.

MR. C. S. CHURCH: "Has not Mr. Atkinson's paper overlooked the fact that, though we have no feudal system in Australia, we are suffering just as much from another form of landlordism, so much of our land being in the hands of a few persons?"

Answer: The writer of the paper recognised that the Australian system of huge "stations" might become as serious a menace as feudal landlordism, but it could not be said to have affected the people to the same extent.

A DELEGATE: "Where was the advantage in co-operation reducing prices while wages were based on cost of living?"

Answer: It did not seem just that any Board or Court should have the right to fix a standard of life for the working-class. Without resistance to this practice, they could never get far in the raising of real wages. His conclusion was that, in general, prices have a tendency to leap ahead of wages, though there were important exceptions. Co-operation would intervene in the direction of controlling prices and should be used by the workers for that purpose. They would thus be enabled to gain further control of their standard of life.

MR. O'DELL: "Does not the more scattered population of Australia militate against the success of co-operation on its distributive side, and will not this tend to account for the non-success or slow progress of co-operation in Australia?"

Answer: That is perfectly true, but population would not explain everything. For example, co-operation had failed in some of the large centres in England, and succeeded in other districts that were sparsely populated.

MR. SCRIMSHAW: "Does Mr. Atkinson advise the adoption of the British form of co-operation?"

Answer: He was in favor of every form of co-operative activity. It seemed to him that in Australia there was an unusually good field for productive co-operation, since Australian industries were not so highly developed as in older and more settled countries, and there was therefore more chance of successful competition.

MR. F. E. PULSFORD, referring to Mr. O'Dell's question, pointed out that the Eudunda Society, on the River Murray, had 14 stores and two travelling barges. That was one way in which the difficulties of distance were being overcome.

MR. ATKINSON welcomed the information. Mr. Pulsford was the great authority on co-operation in Australia.

MR. PULSFORD believed that if Trade Unionists would enter heartily into the co-operative movement, and help to create a wide market sympathetic to industrial equity, there would then be no difficulty about co-operative coal-mining. The share capital could easily be provided by the workers; the business was a matter of routine, and the market would be assured. He added that the best line of advance lay in establishing stores in every possible centre.

MRS. DWYER paid a tribute to the lecturer. In her opinion, the State could establish such businesses.

MR. SCRIMSHAW claimed that the workers should have the right to fix their own wages.

MR. SPENCE pointed to the enormous success of co-operation in Belgium. No capital was needed. In almost every case the start was small, but resulted in huge business, with low costs and high benefits.

MR. SEIDLECKY said the workers were not intelligent enough. The Belgians were no better off for their co-operation. Co-operators were at the same game as the capitalists. Ignorance must disappear first before any advance could be made.

Delegates of the Balmain Co-operative Society answered the criticisms of one speaker with facts relating to their own Society.

MR. ATKINSON, in reply to the discussion, said that though Trade Unions did sometimes come into conflict with co-operators, it was unfair to suggest that there was divergence of principle. Co-operation had done immense service in raising the standard

of wages and conditions, not merely in its own concerns, but in the domain of private enterprise. Efficiency of management would always present difficulties, but they were not insuperable. No Society was perfect, and some of them were far too self-satisfied. By more active participation, Trade Unionism could purify co-operation of its few defects. He would not like to see co-operation governed by party politics, but the real interest of the workers was vital. Instances were quoted in which local Societies had controlled food prices, to the great advantage of the workers. Evidently they were all agreed that something needed doing. What was it? Certainly more co-operation, in one form or another. Education and action should proceed together. Mr. Atkinson admitted that it might be true that the workers were not yet fitted to achieve success in co-operation. But he did not believe in waiting until they became a race of geniuses. He was in favour of State action also, but did not look to it as the only means of social amelioration; its chief defect lay in the rigidity of the machine.

Trade Unionism and Efficiency

BY PROFESSOR R. F. IRVINE

At the outset, let me say that I am using the word efficiency in its broadest sense. It will include all the narrower uses: the worker's efficiency, *i.e.*, his honesty, skill, and industry; the employer's efficiency—his honesty and skill in organising plant, marketing, and labour force; and lastly, national or social efficiency as shown in the co-ordination of industry and in the general welfare and civilisation of the community. My problem is to enquire how the special purposes of trade unionism in Australia are affecting these various efficiencies. In doing so I am not going to present a mass of evidence. I am merely going to state the problem and to ask questions. The evidence has still to be collected and sifted.

What are the special purposes of trade unions? There is no difficulty in answering. The purposes have become traditional, and are more or less stereotyped. Trade unions everywhere have aimed first and foremost at bettering the economic position of their members. They have worked for higher wages, shorter hours, improved factory conditions, and usually for limitation of membership. In Great Britain and America, and to a lesser extent in Australia, there have been subsidiary objects, such as the provision of certain benefits—out-of-work pay, burial allowance, sickness pay. But, generally speaking, trade unions are combinations of workmen to secure out of the proceeds of industry a larger return for their productive energies. That is, trade unionism has confined its efforts mainly to one of the large economic issues—the distribution of the product of industry—and has not so far concerned itself seriously with the question of productive efficiency. It has left that problem to the employer, and it cannot be said that it is an easy one. Nor has it concerned itself in any adequate way with many social issues of great importance to the community as a whole.

In its relation to the employer and production, trade union action has been mainly and, up to a point, necessarily restrictive. It has limited the employer's freedom to bargain with individual

workmen. It has imposed upon him many duties and limited his power to conduct his industry in his own way. I am not here expressing an opinion as to the rightness or wrongness of this policy. I am merely stating the fact as something that must be taken into account. The restrictive character of trade unionism is seen further in the commonly accepted policy with regard to apprentices. The unions aim at maintaining a definite ratio between apprentices and journeymen. They also insist upon a certain kind of training, compelling the employer to give the apprentice the variety of work considered necessary by the union. These restrictions do undoubtedly prevent the employer from carrying out the division of labour that, from his point of view, might be most productive.

It is evident, then, that trade union policy has, on the whole, been restrictive, with a view to securing greater returns from the proceeds of industry, and protecting the workers from over-driving and unsatisfactory working conditions. The aim has been to secure a distribution of wealth more favourable to its members. It is argued by some economists that it could not be otherwise. If the unions directed their energies to the production of wealth, for example, they would cease to that extent to be trade unions, and would become a society for technical education, for sharing profits, or for co-operation, or for carrying on industry on a joint-stock plan. "When the union," writes J. R. Commons, "takes the risks and responsibilities of production, it becomes not a co-operator with the employer, but a competitor. Herein is failure. If it succeeds, then it raises up, in its own ranks, an element interested in profits rather than wages. This element becomes exclusive, treats its fellow-members as employees, hires outsiders if it can get them cheaper, and, sooner or later, goes over to the employers or is expelled by such remnants of the union as survive." Trade unionism, it is said, has been driven by painful experience to stick to its traditional and stereotyped aims. In reply to the statement of fact that it has not concerned itself with productive efficiency, it is pointed out that union restriction has indirectly aided efficiency. For example, by imposing conditions on the conduct of industry, by wresting higher wages from the employer, it has forced him to improve organisation and adopt labour-saving devices. So it is claimed that higher wages and standards of living and shorter hours of work have resulted in social progress, and this ultimately reacts upon efficiency.

There is much truth in this contention, but the results claimed have been indirect and unintended, and this fact has caused employers who feel the restriction and pressure severely to retort upon the unions that their one purpose is to foment trouble and particularly strikes. Naturally the employer wants to have as easy a time

as possible, and objects to the pressure put upon him to secure efficiency in unaccustomed ways. Union restrictions, whether operating through collective agreements or awards, as in Australia, certainly deprive him of traditional opportunities of economising in business, and the industrial system has not yet adjusted itself entirely to the new ideals.

But such efficiency as may be forced upon the employer in these ways is, I repeat, indirect and unintended; and the fact still remains that unionism has not seriously considered the question of efficiency. It has, in fact, exhibited marked hostility to the new school of scientific management, the object of which is to increase output by organisation, by the elimination of unnecessary actions, and by playing upon the motives of the individual workman. It is probably the last that has caused most doubt in the minds of unionists. Sensible workmen are not opposed to improvements in organisation, though they may consider them to be the employer's problem. Those who adopt the *ca' canny* principle may object to the simplification of work, seeing in it a means of diminishing employment—a fallacy which persists with singular vitality. It can hardly be said that the majority of unionists hold these ideas or would oppose this particular aim of scientific management. But the appeal to individual motives seems to have a sinister significance. The assurance of the efficiency expert that an adequate wage must be guaranteed to the worker as the basis of the new efficiency, is regarded as mere window-dressing. The expert is hired by the employer, and is presumably working in the employer's interest—to increase output and profits; and the working-classes, judging from past experience, are not disposed to put much faith in the assurance that their interests will be safeguarded. The system of bonuses to reward special capacity and to educe special efficiency is also viewed with suspicion. This playing upon individual motives looks like an attempt to undermine collective bargaining and to weaken the bonds which hold the workers together. It looks also like an attempt to introduce, in another form, the old driving and speeding up which wore out rapidly the energy and ability which were the working-man's sole capital, and provided no fund for his later years. That system was quite properly hateful to unionists. "An industry which uses up the vital energy of a worker in a few years is coining the nation's life-blood into dividends. No industry has a right to more than that amount of the worker's energy which can normally be replaced by the food and rest allowed him."* The system was not only detrimental to the

Martin, "Do Trade Unions Limit Output?" quoted by Carlton in "History and Problems of Organised Labor,"

worker, but turned out to be really inefficient from the employer's point of view. It is little wonder then that unionists are suspicious of the scheme of scientific management. They are wise to be on guard; but I do not think this justifies an indiscriminate hostility to all proposals for increasing output.

The situation then is this: The unions throw upon the employer the responsibility of conducting industry in an efficient manner. But that efficiency is dependent on two main factors; (a) the employer's skill in organising, financing and marketing, and (b) the co-operation of the workers. The latter, however, refuse for the most part to concern themselves with any scheme for ensuring more efficient co-operation. To the extent that they fail in this, they make it difficult for the employer to discharge the responsibility they themselves have cast upon him. Not only that. Their failure to co-operate efficiently in industry will mean a diminished product, or a product that does not increase in proportion with the claims made upon it; and it is only from this product that the incomes of working-men themselves can be derived.

Now I wish to make it clear that I am not saying that the workers should not continue to be watchful of their interests. On the contrary, I believe that they cannot afford to disregard their interests for a moment; but I say emphatically that these interests require an efficient production, and this depends to a very large extent upon their own co-operation.

The situation is even more extraordinary if we view it from a purely Australian standpoint. In Australia most of the traditional aims of trade unionism have been achieved, or nearly achieved. We have machinery for securing fair wages; it may no doubt be improved, but it has put an end to sweating, and given the sanction of public authority to a human standard of living. We have an eight-hour day; we have old age and sickness pension schemes; we have factory legislation of the most complete kind. What, then, is left to occupy the attention of trade unionism? Failing new purposes, there seems to be little except to act as watch-dogs or to become political organisations for the support of a particular party. In either case, what hope is there that a new idealism will be developed, or that the traditional policies will be extended?

Trade unions have in the past accomplished a great deal for their members, and by so doing have hastened the general progress of society. Their greatest achievement is the enforcement of this doctrine—that every human being has a right to expect and to strive by combination for a human standard of living. They succeeded because society could do better for the workers than it was doing. In its first stage the problem is one of distribution, and insistence upon better conditions and higher wages did not, as was

predicted, hamper industrial development. It merely made it more difficult for employers to take advantage of the weakness of individual workers; and compelled some of them to devote more attention to organisation and mechanical improvements. But the problem cannot long continue to be merely distributive. What is distributed must be produced. Although reapportioning wealth may, up to a point, have an enormous influence on further production, it can do so only by ultimately increasing efficiency. Here again I use the word in the broad sense—the efficiency of employer, workers, and society. It does not necessarily mean that men have to work harder or faster or longer, but it does mean that they shall not be slack or indifferent, and that they shall be willing to help in discovering more efficient methods of co-operating in production. It is impossible to keep on raising incomes indefinitely without increasing production. No matter how successful we may be in saving the present wastes of competition, future progress will soon be arrested if we think that production can be left to take care of itself.

The conclusion seems inevitable, then, that trade unionists as well as employers ought to be deeply concerned with the question of productive efficiency. Precisely what the former are to do, I cannot now discuss. My object is simply to insist that this problem will have to be attacked in no half-hearted manner by trade unionists if progress is to be continuous.

But important as this is, it is only one of a large number of questions that are of vital interest to working-men and to the whole community. Even on the side of distribution there are such questions as those of price control and the regulation of large concerns which approximate monopoly, and so have power to levy unnecessary toll upon consumers. But even if we solve these difficulties in a satisfactory way it does not follow that we shall be within sight of the great society. We may yet fail in national or social efficiency and in the qualities which that requires and educes in men. There is first of all the question of improving the organisation of the industries of the country as a whole. Some sort of team-work and co-operation here are just as necessary as directing intelligence is to a large corporation. It is a common but exceedingly mistaken idea that the separate ends of individual business men, when lumped together, can or do produce an efficient industrial system or a well-ordered social system. It is an equally mistaken idea that responsibility for co-ordination may be safely left to governments and other public bodies. If the population as a whole is indifferent to questions like this, then the well-informed criticism necessary to keep public action efficient will be almost entirely absent or it will be lacking in collective force. In a community where men are too indolent to work for ends that are above the individual, there are

sure to be waste and confusion, inconvenience, discomfort, unreliability and general inefficiency in service. These things reveal themselves in many ways: in over-centralisation, in defects of transport, in lack of convenient co-ordination in business and industrial sections, in bad and circuitous road systems, in ill-regulated marketing and distribution of goods, in the continuance of obsolete methods. Incompetence is apt to become a kind of cult, because it is customary. A people too lazy to organise itself in a purposeful way will tolerate almost any abuse, and even grow fond of it. It feels no shame, for example, when confronted with municipal muddling, bad and dirty roads, congested traffic, the growth of slums, the multiplication of unsightly buildings, the destruction of natural beauty. Each individual goes to his business either unaware of these things or content to leave them to authorities who perhaps know no more than he, and are equally indifferent. He may growl now and then at the inefficiency of the services that inefficiently provide him with meat and drink and other necessities and conveniences; but his growling is purely passive, and gives rise to no plan, no reasoned activity, no organising of forces. So the abuses, the overlapping, the inconveniences, and discomfort continue to exist.

I have been speaking chiefly of the organisation of the economic life. The importance of this is manifest. But there is danger that we shall be satisfied with a narrowly-conceived material standard of living. To the hungry to be full-fed is heaven. But the full-fed, if they have no goal beyond, will soon make hell of their heaven. I doubt, indeed, whether even a high material standard can be achieved without the exercise of the very highest qualities possible to human beings. Social efficiency in its broadest sense includes everything that goes to the making of a civilised and progressive type. It will be imperfect if it fails to develop personality to the utmost or neglects those immaterial things on which the amenity and beauty of life depend.

Now the point to which I have been leading is that all the factors that are necessary to a high civilisation ought to be the concern of every man and woman in the community; they ought, in my opinion, to be especially the concern of organised labour. Working-men have shown that they are capable of a high degree of organisation for special purposes. Their weakness to-day, it seems to me, is that their ideals and purposes have not developed with the times. My conviction is that their traditional aims must be enlarged so as to include the hundred and one social problems on the solution of which further progress and welfare depend. This enlargement means much more than putting planks, often unseasoned, into a platform. It means a resolute determination to study and learn and discuss and a willingness to co-operate with

every other group of thinking and sincere men. Only by so doing, it appears to me, can the movement retain the creative force and idealism it once possessed. I do not believe that it will thereby become too altruistic and visionary, or unmanageably broad in its scope. There are numerous tangible things it can get to work on immediately, and there are many more that will be practicable in the near future. In any case, it is better to take the risk of being dubbed visionary than to die of lack of ideas and constructive policy.

QUESTIONS AND DISCUSSION

ON

TRADE UNIONISM AND EFFICIENCY

MRS. DWYER thought it was all very well for people like the Professor to ridicule the attempts made by the workers to better their condition. He could scoff at the half-seasoned planks in the Labour platform. In her opinion, some of them had been shouldered by the working-class so long that they had become worm-eaten. The speaker objected to piece-work and bonuses on the ground that the quality of the work done deteriorated.

MR. SPENCE said that on the question of Efficiency too much attention was devoted to the worker, whereas by doing away with unnecessary competition, and by improvement in the way of organisation, better wages could be secured for the workers, together with a decent return for the capitalist.

MR. R. H. YORK complained that the employers wanted to run their businesses with machines and apprentices, and one or two men to supervise.

Other speakers thought that the Professor had placed too much stress on efficiency of the worker, and not enough on efficiency of management. What the workers were suffering from was over-efficiency. The present system of forcing apprentices to give their spare time to drilling and continuation schools was bad, and nothing better than sweating.

PROFESSOR IRVINE, replying to the discussion, said that the paper was written deliberately from an academic standpoint. His sympathy was with the workers. His presence there proved that. At the same time, he could not close his eyes to the deplorable lack of organisation. Everywhere he went this was the outstanding feature. He instanced trams, roads, railways, and civic affairs. He went on to say that a society might be

highly trained technically, and yet socially disorganised. He had been asked how far wages in this country could be increased without interfering with production. Wages could be increased only in two ways, either by increasing the product of the work done, or by taking something from employers' profits. And there was the danger that an increase beyond a certain point in the latter direction might cause the employer to go elsewhere.

A voice: Good riddance!

Another voice: How far are we from that now?

PROFESSOR IRVINE said it was a sign that such a state of affairs was approaching when enterprise was slack, and employers would not take risks. He believed those signs existed at present. It might be that we had reached a point at which we were hitting private enterprise hard, and yet had not discovered any other way by which enterprise could show itself.

Trade Union Administration and Industrial and Craft Unionism

BY THE HON. W. G. SPENCE

Humanity, in its slow advance to a higher civilisation, owes much to Unionism. Trades Unionism was born of that spirit of resistance to injustice which is a characteristic of all who refuse to be slaves. In it is found the germ of that capacity for self-government so essential in a free democracy. A well-organised and well-managed trade union is a small democracy within itself. It makes laws and enforces them. It is founded on law and order, and is a training-ground for that respect for orderly rule and loyalty to principle without which no nation can ever become great.

The history of the movement is one of martyrdom and splendid self-sacrifice. It has had to fight ignorance, prejudice and unjust law. To-day it is recognised as an institution in the community, and is considered even respectable. It no longer calls for the heroic self-sacrifice and suffering which was the lot of its active members in the past; but its work is still unaccomplished, and its mission in our social economy is not yet fulfilled. Conditions have changed, and the leaders in the trades union movement must realise that changes in the methods, rules and management of organisations must keep pace with the evolution in our social system.

There is a tendency in all organisations to become conservative. Unions are not commercial organisations; but some of them become so when they pay more attention to the hoarding of funds than to the spending of money for the common good. A union with large funds, but with only seventy-five per cent. of those in the industry it is concerned with, is not as strong as one with little money but with one hundred per cent. of the workers in its calling within its ranks as a result of spending its funds wisely. The power of unity and solidarity is greater than the power of money.

Up to the present the power of the almighty dollar has been greater than the power of the workers who produce the world's wealth. In Australia we have begun to change the condition of things in that respect. Here the masses have the management of everything in their own hands, and they can only blame themselves if they fail to make such use of their power as to within reasonable time bring into existence a Co-operative Commonwealth in which there will be no idlers, enforced or otherwise. We have taken but few steps in that direction yet. The trades union movement has hardly kept pace with the rapid economic changes. Up till recently unions confined their efforts mainly to industrial matters. Their energies were devoted to fighting for better wages and conditions of employment. The close relationship between the wage-earner and the employer of pre-union days disappeared with the advent of machinery. The development of company corporations, followed by the modern trusts and combines, has made the worker but a cog in a vast machine. He has ceased to be a fellow human being, and counts only as a "hand," necessary, but a bit of a nuisance. By power of unity and organisation the worker has forced the controllers of capitalistic enterprises to realise that his "hands" are human beings, who will keep on fighting for justice until they have secured it. Until more sweeping changes have evolved out of present unrest, it is inevitable that every union must deal with questions of wages and conditions, and those engaged in each trade or calling are naturally the best judges as to what may be fair terms to demand.

It is this fact that has retained the craft system of unionism so long. Many unions lessen their power for usefulness by providing various benefits, some of which should be left to Friendly Societies, and the balance to be borne by the industry in which the members are engaged, under Workmen's Compensation Acts, &c. Employers have always encouraged their employees to provide out of their wages for those contingencies of sickness, accident, &c., for most of which the employer is really responsible. The majority of Australian unionists now fully realise that the right thing is for the law to compel employers to make provision for all the risks which those employed by them work under. The result has been a marked improvement as to working conditions, although there is still much to be done in that regard. Some of the international unions are not only hampered by benefit funds, but find themselves restricted in their desires to do their share of reform work in Australia. Because of the rules of their society indeed some trades unionists seem to make a fetish of rules, and resist any alteration, instead of changing their form to suit the ever-changing conditions of modern life. All conservatives are not confined to the employing class. Change is the characteristic of progress. Change is life, and life is movement,

activity, the doing of things. When any organisation rests quietly in one groove, it gets in the way of progress, and hinders and checks the good efforts of the more militant. Apathy and easy-going carelessness has been the curse of the workers. It would seem as if their economic dependency on some other man for the right to work had sapped and dried their initiative. The burden is left to the few. Some are content just to pay their dues after being asked to do so, and leave all the other work to the executive of their union, seldom if ever attending a meeting. If they have anything to say about the work, it is generally to find fault with those who are, at any rate, trying to do something. The question of bread and butter is with us every day, and hence unions have to be always on the alert to seek improvement and to resist reduction in wages, &c. We might keep on doing this for ever, but that does not touch the real work which lies before the workers, and which, if they do not perform it, will never be accomplished, and that is, briefly put, the overthrow of the capitalistic system. Wage slavery will continue, unemployment will increase, cost of living keep on rising, and a host of other self-evident evils associated therewith, multiply themselves if the trades unions fail to get out of the old ruts and tackle the admittedly tremendous problem.

We have seven hundred and ten separate unions in Australia. There should not be a third of the number, even if we are not prepared for complete unity in one. The days of purely craft unions have gone. Australian unions have undertaken the capture and control of the law-making machine—Parliament. They have secured the setting up of courts for fixing wages, hours, and general conditions of labour, and thus do away with the use of the old weapon of an industrial strike. This, more or less, disposes of the every-day bread and butter question, and at the same time brings out more clearly the utter badness of a social system which only fixes the pay for those who work, but does nothing to guarantee that every willing worker shall have opportunity to do so. Even if not yet very satisfactory, we might well retain this method of settling industrial disputes so as to give us a chance to devote our whole energies to the bigger and more important problems affecting work. We need a closer unity, and it will never come whilst we continue divided into hundreds of small sections. A trades union is composed of units, and the success of that group depends first and foremost upon the loyalty of every unit to the decisions of the body as a whole. Their ability to enforce demands depends upon the question of what proportion of those engaged in the industry are in the organisation. In short, our strength depends upon whether we have all hands with us. As things are at present no one can say whether all the unions are ready to act together, or how many are even willing to act at all.

We have 710 groups of unionists scattered over a continent, each muddling along in a groove, their interests overlapping, many of their members forced to pay into several different unions, with very small return, and only a few of them taking any part in the larger movement for securing permanent change and reform of our industrial and social system. Modern industrialism is all interlocked together, and the various industries in which unionists work are interdependent. The Employers' Union is one throughout the Commonwealth, Labour is divided into 710 sections, and some of them as conservative as the most Tory of capitalists. The reforms necessary cannot be secured by industrial action. Trades unionism has always suffered from bad law, and unjust administration thereof. Employers have always used the powers of the Courts and the Judiciary, whilst the unionist merely suffered, and when it came to the time of a Parliamentary election, if he had the luck to have a vote at all, he gave it to the nominee of his "boss." When the Australian masses realised what a foolish thing this was, they set about effecting a change, and to-day, with a single exception, all the Parliaments of Australia are controlled by Labour Governments.

We have thus reached a stage which brings us face to face with the world's most difficult problem. Where shall we start, and what shall we do to initiate such changes in social and industrial economics as will eventually bring about that socialistic ideal held in a vague sort of way by most of trades unionists? We must not expect too much from even a Labour Parliament. Much has been accomplished, and there will be advance, and inevitably some mistakes, but that, after all, is what a sane mind expects of all human actions. One thing is important, and that is that we do not leave all the work to Parliamentarians. The programme for each Parliamentary election must be made by the masses, and those who should frame it are trades unionists. We have entered into a new field, and it is admittedly a difficult one. Officers and members of unions who may be splendid men in connection with industrial matters, and the technique of their craft, may be ignorant of economic thought. The field we have entered upon is one which calls for the widest knowledge. It covers the whole field of human activities. The pressing need is the abolition of unemployment, the stoppage of the robbery of the masses by extortionate prices and high rents, &c. We require the best brains available in the control and management of our unions, and to secure it, and find outlet for the use of the best brains, we must amalgamate the smaller sections into larger unions. As it is, we are not getting value for the funds subscribed. Small unions cannot even fight a case at court. We need big unions, and big men at the head of them, and be prepared to pay big salaries to retain them.

The passing of the Commonwealth Conciliation and Arbitration Act caused many craft unions to unite with those of the same craft in the several States in some form of amalgamation. Many have thus secured the benefit of that Act. At various periods attempts to more closely bind the various sections of organised labour together in the form of federations have been made, with but small degree of success. The weakness of federations lies in their lack of controlling power. They have done much that is useful and good, but are in reality but advisory bodies. Bodies, such as Trades and Labour Councils, and the various federations referred to, do much to link up the various sections, and bring one into touch with another, but when any really serious trouble arises they fail. On the other hand, an amalgamation of sections in one body, with clearly defined local autonomy, working within carefully set forth limitations, and all sections subject, in serious matters, to a strong central authority, proves more efficient in administration than any other form yet tried. There is a natural and very proper tendency on the part of every group of persons with a common interest to resent outside control; hence each section must be left to manage its own purely local craft interests, subject, however, to this limitation: that it cannot take any action affecting other sections, either of its own body or of any other, without the consent and authority of the central authority. With a constitution such as is thus briefly stated, there is no limit to the number of sections which can be embraced in one union. In all federations each union composing it is self-contained and practically self-governing, but lacks the check on hasty action which exists in an amalgamated body. A full measure of local self-government, in so far as purely local conditions are concerned, can be given under amalgamation, just as the British Empire has been a success only because it allowed its Dominions beyond sea a full measure of home rule, with the limitation that each must confine itself to matters within its own borders.

Large and powerful unions, on the lines indicated, will avoid the friction and waste now daily apparent under the craft system. There is no difficulty with regard to the securing of awards under Wages Boards or Arbitration Courts for each separate industry, whilst there would be an immense gain in cost and efficiency with regard to organising work. A big union can provide better educational facilities, such as a press of its own. We sadly need a more widespread knowledge of political and economic questions, and we want Australian thought and Australian colour in all such. There are principles underlying the social problem which are common to all countries, but Australia differs in many important respects from any other, and we don't want our minds clouded or warped by ideas or proposals which may be justified in Continental lands, but have

no practical place in Australia. We have to work out our own destinies, and to do so we must give close study to our own problems and conditions of life as they now are, and evolve steadily but surely a higher and better civilisation. Our movement has a sound ethical basis, and the foundations of all its proposals must always be justice and equity. It calls for all that is best, noblest, and highest in mankind. The intelligent trades unionist is notably a practical man with strong commonsense. His training in unionism has given him a love of his fellow-man, and a desire to and readiness to co-operate with his fellow in all good movements. We must give him wider opportunity of study of problems of government, of philosophy, of ethics, as well as economic thought, and his practical mind and commonsense will do the rest.

DISCUSSION ON INDUSTRIAL AND CRAFT UNIONISM.

In answer to a question as to the difference between skilled and unskilled labour, MR. SPENCE said there was really no such thing as unskilled labour. It was merely a question of the degree of skill.

MR. D. E. BLACK asked whether Mr. Spence was in favour of any existing Unions opening their ranks to other classes of labour without the permission of the Unions to which these belonged.

MR. SPENCE: No. Amalgamation should be the result of deliberate agreement.

MR. MUTCH challenged anyone to debate the question of Unionism and Socialism.

MR. GUIHEN spoke strongly in favour of Craft Unionism as against Industrial Unionism. Many delegates supported him, though it was admitted that the members of even the smaller Unions did not take enough practical interest in their management, allowing minorities to decide matters of policy, and then refusing to be bound by their decision. The advocates of Industrial Unionism dwelt upon the weaknesses of the Craft division in the control of Labour policy. Nearly all the failures of Labour, they held, were due to lack of organisation consequent upon a false separation of Crafts. The "one big Union" was the only solution. Other speakers believed that the way out lay in a compromise between Craft and Industrial Unionism, namely in Federation, which avoided the dangers of bureaucracy and unwieldiness entailed by complete amalgamation, and yet provided for common action in situations which demanded it.

MR. SPENCE, in his reply, said he did not mean that all the Unions in Australia should amalgamate, but only various smaller

Unions in the same line. For instance, there were a number of separate Unions in Victoria whose membership embraced what might be called fluid labour. He still believed that the weakness of Federation lay in the want of executive power in the controlling body. He held that the present tendencies were all in the direction of concentration of Crafts, and this was sure to proceed to much greater length and at a much more rapid rate than ever in the past.

SECOND DAY'S PROCEEDINGS

HELD AT SYDNEY UNIVERSITY

MR. MEREDITH ATKINSON, Director of Tutorial Classes in Sydney University, welcomed the members of the Conference on behalf of the University. He said that the event was of historic importance, for it was probably the first meeting held within the University to consider the problems of Labour. The Conference would give a tremendous stimulus to social progress, and contribute towards a revolution in the attitude of the public to industrial problems. He then introduced MR. ROSSER, President of the Railway Workers and General Labourers' Association, as Chairman of the Session.

MR. ROSSER welcomed Mr. Lightfoot, the reader of the next paper, and described to the delegates the principal objective of the W.E.A. Trade Unionism would be of no avail without education.

The Historical Development of Trade-Unionism in Australia

BY

GERALD LIGHTFOOT, M.A., F.S.S.

AND

J. T. SUTCLIFFE

I. The Beginning and Early Development of Trade-Unionism, 1850 to 1875.—It has often been said that the year 1851 marks a turning-point in the history of Australia. This statement, however, requires some modification in its application to the history of trade-unionism, for the middle of last century marks, not merely a turning-point, but practically the starting point of organised labour in Australia. The reasons for this are not far to seek. Prior to the discovery of gold in 1851 the whole of the occupied parts of the continent were given over to pastoral purposes. There appeared to be but little prospect of any extensive development of manufactures in Australia, and under the circumstances it is not surprising that, although certain organisations in the nature of benefit societies, as well as temporary combinations of workmen for special trade purposes,* existed as early as the second quarter of the 19th century, no trace of any permanent industrial union of workers for such purposes can be found before the middle of

* The first labour organisation of which any record can be found was in 1837, when certain seamen and labourers in Sydney demanded an advance in wages of 1s. on the ruling rate of 3s. per day. A meeting of shipowners was called, and it was decided to resist the claim. The owners issued a manifesto, in which they stated that "the demand for increase of wages does not arise from scarcity of seamen or labourers or from inadequacy of wages . . ." but that the demand had been made by "a systematic, organised body, whose intentions are not yet fully developed, but whose object, if accomplished, would materially retard the progressive advancement of our colonial marine." It appears that work was stopped and vessels detained for several days. This incident is of

the century. The discovery of gold in large quantities in 1851 completely changed the political and economic complexion of Australia, and indeed effected a revolution in all industrial relations. Many of the new arrivals in Australia came from European countries which were at that time fermenting with discontent.* There are two features which require notice: Firstly, that it was the gold diggings that brought together a mass of democratic opinion; secondly, that this stream of advanced thought came just at the time when self-government was commencing in Australia, and only a few years before manhood suffrage was obtained in the older colonies. These men made up the raw material from which the early trade unions were formed, and thus Chartism, Irish discontent and European upheavals were important factors in the development of the forces which gave trend and objective to the trade-union and labour movements. Many men of various trades and occupations, who were drawn to the country by the prospect of rapidly making a fortune, either not meeting with the early success hoped for, or recognising their unfitness for the somewhat strenuous life on the goldfields, decided to settle down in the new country and pursue less precarious, but in many cases more remunerative, callings, while at a later stage the depletion of the richer alluvial deposits, and the consequent decline in the activity of the goldfields, threw out of employment many immigrants whose early lives had been passed in English cities, and of whom a number had been members of English trade unions. The surplus of labour thus engendered accumulated in a few of the larger towns in Australia, establishing incipient artisan communities, and this intensified the early impulses towards industrial enterprise and the organisation of the workers.

One of the first effects of the influx of population was to give an extraordinary stimulus to the building trades,† and it is in this

special interest, as constituting the first occasion recorded in Australia on which a demand was made by an organised body of workmen against any organised body of employers. See, "The Sydney Gazette," 14th, 16th, 18th and 21st March, 1837, and "Old Whaling Days," by W. McNab, Whitcomb & Tombs, 1913, p. 179.

*The Chartist movement, which had seized the minds of the workers in England, was broken up after the demonstration in Hyde Park in 1848, but the six points of the Charter still remained among the aims of British radicalism. In Ireland the potato famine of 1845-7 had caused a widespread immigration, leaving behind an ill-affected population. In France the Bourbon monarchy was deposed by the revolution of 1848 and replaced by a new Republic, while in Prussia, Hungary, Austria and Venice there had been insurrections or revolutionary movements.

† In Melbourne the sudden increase in population raised house rents to an unparalleled height, and for a considerable time a large

industry that most of the earliest unions were formed. The first trade union in Australia was the Operative Masons' Society, established in Melbourne in 1850. This was followed by the organisation in Sydney of the Typographical Association in 1851, the Amalgamated Society of Engineers in 1852, the Operative Stonemasons' Society in 1853, and the Society of Progressive Carpenters and Joiners in 1854. In Victoria the Operative Bricklayers' Union was formed in 1856, the Progressive Carpenters and Joiners in 1856, and the Ballarat Typographical Association in 1857; while the Operative Plasterers' and the Operative Bricklayers' Unions were established in Sydney in 1857 and 1858 respectively. The main objective of the early unions in Australia was the limitation of the working week to 48 hours. In the early 'fifties wage questions were not prominent, for the reason that the gold discoveries resulted in an immediate and rapid rise in rates of wages.* At that time men's ideas of wages were largely tempered by the remembrance of the rates paid in European countries and in Australia before the gold discoveries, and consequently the practical tests by which the workers measured their welfare were the standards of living and of working conditions in Europe. Soon after the gold discoveries there was, however, a change, and there has been a growing disposition to fix rates of wages and conditions of labour in Australia independently of those observed in other countries. The effort directed by trade unionists towards the question of hours resulted in the recognition of the 8-hours day in a number of trades at an early date. This 8-hours day, which Australians now regard as not only an achievement, but also a project originating in their own land, had been put forward in

proportion of the community lived in tents. In Sydney the population was so much in excess of the accommodation available in habitable dwellings that, according to the Census of 1856, there were 709 houses occupied though still in the hands of the builder, while, in addition, 1709 tents were used as residences. In Victoria in 1857 there were no fewer than 45,161 canvas dwellings in occupation (see Report of Census of 1856, p. 28).

* Governor La Trobe in a despatch of the 12th January, 1852, gives particulars shewing that, broadly speaking, wages rose during 1850-1 from 20 to 50 per cent. In some cases the advances were much higher; for example, the Governor states: "Scarcely any mechanic will work; those few who do, receive an advance on former wages of from 200 to 350 per cent." In 1853 carpenters, wheelwrights, and bricklayers received in Melbourne 15 shillings a day with board and lodgings; masons, without board and lodgings, 26s. 9d. per day; bricklayers, 25 shillings; and smiths, 22s. 6d. per day. Though prices rose rapidly in response to the altered conditions, it is not surprising, in view of the preceding circumstances, to find in the early history of these first trade unions little reference to rates of wages.

England as early as 1834, when a general strike was advocated for an 8-hours day in the Lancashire textile trades.*

In New South Wales the operative masons succeeded in securing the recognition of the 8-hours day in all the building trades in 1855, but little development of the movement was noticeable in that colony until 1871, in which year four eight-hour trades—the brick-makers, stonemasons, labourers, and carpenters—inaugurated the annual celebration. In Victoria, as in New South Wales, the eight-hours day was secured in the first place by the stonemasons, in 1856, and the first celebration was held during the same year. At the second celebration, in 1857, nine trades and about 700 men took part. The Stonemasons' Society of Queensland secured the 8-hours day in 1858. The success of the movement in these colonies inspired confidence in the efficacy of trade-unionism and the possibilities of collective bargaining, so that during the 'sixties and early 'seventies a number of other important organisations came into existence, and the eight-hours movement was taken up in the other colonies. The recognition of the 8-hours day was first secured in South Australia by the building trades in 1873, and in Tasmania by the shipwrights of Hobart in 1874, while in Western Australia the 8-hours system was established in 1896. Generally, it may be said that trade-unionism in Australia originated primarily in the desire for an 8-hours day; with the Western Australian celebration of 1896, unionism, with its eight-hours charter, completed the circuit of the Commonwealth.

The 'sixties and early 'seventies may be regarded as a transition period in the industrial development of Australia. The country was recovering from the excitement and restlessness of the gold fever, and was settling down to a more prosaic period of sterner conditions and slower, but more stable growth. The renewal of the attention of agriculture was general, and the acreage under crop rapidly increased, especially in Victoria, which had benefited most by the gold discoveries and was now the chief financial centre, and, in all other important respects, the leading colony of Australia. Steady progress was made in industrial development and in agricultural settlement, and as the various industries grew, so trade-unionism developed. There are three important matters to be noted in the development of trade union activities during this period. In the first place, owing to the rapid fall in wages in the years following the gold rush, wage questions came into prominence. Secondly, there was the agitation against the admission of Chinese; and, thirdly, the growing sense of solidarity among unionists and the

*See *History of Trade Unionism*: S. & B. Webb, Longman's Green, 1907, pp. 117-8.

recognition of community of interests led to the establishment of central trade union delegate organisations.

Firstly, as regards wages, there were no recognised trade rates, and even in the same year there were occasional variations.* Between 1861 and 1871 there was a considerable decline in rates of wages, and it was during this decade that questions as to wages began to come into prominence in trade union activity. The reductions referred to were naturally not accepted without active protest. But these protests were generally ineffective owing to the large number of men who drifted from the gold diggings into Sydney and Melbourne, and of whom many were unable to obtain employment even at the reduced rates. The second matter which began to assume considerable importance among trade unions during this period was the agitation against the admission of the Chinese, more especially in connection with the mining and furniture industries.† Several attempts‡ to forcibly expel the Chinese from the diggings were repressed by the Governments. In 1872 the Miners' Association was first established in Victoria, its main objects being (a) to secure an 8-hours shift, (b) to resist attempts to reduce wages, (c) to oppose the admission of Chinese, and (d) to forward legislation for the regulation of mining. In October, 1872, the gold miners of Victoria were successful in obtaining the 8-hours shift after a big strike at Stawell. In 1873 there was a protracted strike of gold miners at Clunes, in Victoria, against working with Chinese labourers. Unions were established at a number of mining centres, and in 1874 a conference was held at Bendigo, and the Amalgamated Miners' Association of Victoria formed, the rules being based on those of the National Miners' Association of Great Britain. This Association soon turned its attention to the necessity for legislation for the better regulation of mining. A Bill was drafted providing for an 8-hours shift, improved ventilation, and inspection of machinery. This Bill was laid before the Government and was substantially incorporated in the Regulation and Inspection of Mines and Machinery Act, 1877. The Seamen's Union was established simul-

* An example of this may be given for the year 1861. In that year the daily wages of masons in Melbourne fell from 14s. in April to 13s. in July and 12s. in October, and the wages of bricklayers were, in the same months, 12s., 11s., and 10s. per day. Other trades were somewhat similarly affected.

† These aliens had arrived in considerable numbers since 1852, and in spite of various restrictive Acts, the Census of 1861 shewed that there were nearly 13,000 Chinese in New South Wales and 25,000 in Victoria.

‡ In Bendigo, 1855, see Jose "History of Australia," pp. 124-5, and Lambing Flat, N.S.W., 1861, *Ibid.*, p. 156.

taneously in Sydney and Melbourne in 1874, and dissatisfaction soon arose owing to the large number of Chinese employed on coastal steamers. It was not until several years later, however, that after a strike an agreement was arrived at with the shipowners to limit the number of Chinese employed. Thirdly, in regard to the recognition of community of interests, the formation at Sydney in 1871 of the first permanent Trades Council was an important step in trade-union consolidation. In Melbourne a Trades Hall had been established in 1856, but no permanent delegate committee came into existence until 1879. In the other States the formation of delegate councils did not come until a somewhat later period, viz., in Queensland and Tasmania in 1883, in South Australia in the following year, and finally in Western Australia in 1892.

There are therefore four outstanding features to be noted during the early stage of trade-union history in Australia, viz., (a) the establishment of the 8-hours' day in the building trades, followed by other trades; (b) the extension of activities of unions to wages and trade questions; (c) political agitation as a means of obtaining redress for grievances; and (d) lastly, the growing recognition of community of interests and the establishment of delegate councils.

II. The Legalisation of Unionism and Intercolonial Trade Union Congresses, 1872 to 1891.—From 1872 the expansion of trade and industry in Australia was for many years both greater and steadier than in any previous period. Manufacturing industries prospered, agriculture and the pastoral industry made great progress, mining for silver became an important industry in New South Wales, and valuable deposits of copper, tin and other metals were discovered and worked. Moreover, the year 1873 marked the beginning of a long period of falling prices, lasting until 1895-6, not only in Australia, but practically throughout the world. Under the influence of expanding trade and industrial activity wages on the other hand began to rise in Victoria in 1872 and in New South Wales a year later. They continued on the upward trend until 1876, and remained at a high level until about 1888.* From the

* These increases in wages were not always reached by peaceful means, and a considerable number of industrial disputes occurred during this period, mainly in regard to claims for either higher wages or shorter hours. The following disputes, causing serious dislocation to industry, may be specially mentioned, viz.:—The dispute in the engineering and iron trades in Sydney in 1874 as to hours of labour and breaks for meals; the claim by masons in Sydney in 1877 for increased wages; in Victoria the agricultural implement makers struck work in 1873 for an increase in wages; while two years later employees in the tanning industry unsuccessfully endeavoured to obtain the 8-hours day. In 1882 there was

point of view of the workers the greater part of this period was a prosperous one, the purchasing power of money being relatively great. The tide of improvement reached its highest level in 1885, and in the following year signs of reaction were visible. Now during this period of prosperity, as the various industries grew, so trade-unionism developed. The members of the unions set themselves to resist many of the legal and industrial oppressions from which they suffered, and for this purpose they built up and strengthened a number of trade organisations and consolidated the forces of trade-unionism.[†] In their aims they were largely successful, and this success was due in no small measure to the favourable economic conditions.

By the year 1885 trade-unionism in Australia was established on a firm and extensive basis. There were about 100 unions in existence, with an estimated membership of over 50,000. There were 50 societies affiliated with the Melbourne Trades Hall, including one women's union (the Tailoresses' Union). The Amalgamated Miners' Association of Victoria had 19 branches. The New South Wales Trades and Labour Council comprised 24, and the Adelaide Trades and Labour Council 11 societies. They were also a number of organisations in Queensland and Tasmania. The centres of unionism were naturally the metropolitan towns, where labour organisations were reinforced by artisans, factory operatives,

a prolonged strike of tailoresses in Melbourne; while in 1884 there were stoppages of work in the baking industry in Sydney and in boot factories in Melbourne. In the following year both wharf-labourers and miners in Victoria were out of work on account of disputes. In New South Wales in 1886-7 work in some of the southern district collieries was suspended for nearly twelve months by disputes, and in 1888 coal miners on the northern colliery field stopped work for several months.

† Among the various unions organised during this period of activity, the following may be specially mentioned:—In New South Wales the Seamen's Union (1874), House and Ship Painters, Decorators, etc. (1874), Operative Plumbers (1880), Tinsmiths and Sheet Ironworkers (1881), and the Meat Industry Employees (1883). In Victoria the Bendigo Miners' Association (1872), the Seamen's Union (1874), Operative Bootmakers (1879), and the Tailoresses' Union (1882). In Queensland, the Society of Boiler-makers and Iron Ship Builders (1880), Typographical Association (1884), Steam Engine Makers (1886), and the Operative Bricklayers (1887). In South Australia, the Typographical Association (1874), Loco. Engine Drivers and Firemen (1875), Society of Boiler Makers and Iron Ship Builders (1880), and the Operative Bootmakers (1883). In Tasmania, Shipwrights (1874), Bootmakers (1876), Typographical Association (1883), and Operative Bakers (1885).

seamen and wharf labourers. Then came the miners' organisations, which contributed the most important element to trade-unionism outside the capital towns. At that time the workers in the other great source of primary production, viz., the pastoral industry, had not been organised, though several unsuccessful attempts had been made to form a shearers' union. In 1886, however, the pastoralists proposed to reduce the shearing rates and to impose conditions to which the employees objected, and this resulted in the formation in Victoria of the Amalgamated Shearers' Union. Two years later the Queensland Shearers' and Labourers' Unions were established. These three organisations, which formed the foundation on which the Australian Workers' Union has been built, gave vitality to the trade-union movement in the back-blocks, and they indicate the third of the three main geographical and industrial divisions into which trade-unionism in Australia falls.

In the meantime a strong feeling had arisen for the legal recognition of trade-unionism in Australia in order to acquire the legal status necessary alike to the security of funds and to the recognition of trade-unionism as a constituent part of the social and industrial organisation. Until the Trade Union Acts were passed in Australia the unions were subject to the provisions of the English Acts of 1824 and 1825, which had repealed the old Combination Laws of 1799 and 1800.* The repeal of these laws gave the workers freedom to combine, but combinations which were construed to be in restraint of trade were still unlawful associations and their funds were accordingly unprotected. The unions were thus denied that security for their property which was accorded to all other bodies. Moreover, both criminal and civil liabilities still attached to unions acting in restraint of trade. The first of the colonies to move in the direction of legislation was South Australia, where a Trades Union Act was passed in 1876. This Act was based on the English Act of 1871. The South Australian Bill was introduced as the result of agitation of the unions to be placed upon the same footing as the English societies.† It was recognised that refusal to grant legal protection to peaceful combinations of workmen was entirely inconsistent with the principles of individualism and non-interference

* Subsequent Acts passed in England relating to trade-unions were the Trades Union Funds Protection Act, 1869; the Criminal Law Amendment Act, 1871; the Trade Union Acts, 1871 and 1876; the Conspiracy and Protection of Property Act, 1875; the Trades Disputes Act, 1906; and the Trade Union Act, 1913. These Acts did not apply to Australia according to the provisions of the Australian Courts Act, 1828. See Harrison Moore, "Commonwealth of Australia," 2nd Ed., Melbourne, 1910, p. 10.

† See South Australian Hansard, 1876, p. 897.

by the State in industry, principles which were put forward by employers when advocates of factory legislation pushed for extension of Government intervention.* Individualistic arguments, the weapon of the employers themselves, therefore led logically to the recognition of the right of the worker to bargain for the sale of his labour in such manner as he might think most conducive to his own interests. In the other colonies similar demands for legislation were soon made, and Acts, based on the English laws of 1871 and 1876, were passed in New South Wales in 1881, in Victoria in 1884, Queensland in 1886, Tasmania in 1889 and Western Australia in 1902. These Acts were not passed in some of the colonies without acute controversy. In Victoria, for example, in the original Bill of 1884 an amendment conserving many of the old common law and statutory restrictions was inserted by the Legislative Council and was passed by the Assembly only under protest. This Act was received by the trade unionists with indignation, and no unions were registered under its provisions. After further agitation from the trade unions an amending Bill was introduced and passed in 1886. The general effect of these Acts was to remove the disabilities to which trade unions were subject under the English Acts of 1824 and 1825. They also gave other advantages to labour organisations, which were recognised as lawful bodies, capable of holding property and as having the right of legal remedy by the simple process of registration. Labour was, in fact, considered under these Acts to have been freed from restrictive law. The unions were placed on an equality with all other associations, and were able to pursue their policy and carry out their objects without fear.

Various factors had combined to lead the unions to recognise the community of interests between the several colonies. Such matters as industrial legislation, the protection of seamen engaged in inter-colonial trade, the growing intercourse between the colonies, and the objections to State-aided European immigration and to the admission of Chinese, all tended to bring the workers in the several colonies together. The holding of an Australasian Conference of trades unions was first suggested by the Adelaide Labour League early in 1879, but no action was taken in the matter until the Trades and Labour Council of New South Wales decided to hold the meeting in Sydney. The congress of 1879 marks an epoch in trade-union history. For the first time a national meeting of delegates was convened by workmen's organisations, to discuss purely workmen's questions in the presence of workmen alone. At this first congress the number of delegates did not exceed 39, representing 24 societies, with a membership of 11,087, but these delegates included all the

See "History of Trade-Unionism," S. & B. Webb, p. 278.

leading officials in Sydney of the important amalgamated unions, and though delegates did not attend from the other colonies, Victorian, Queensland, South Australian and New Zealand unions were all represented by Sydney delegates. As regards the regulation of industry and improvement of working conditions, the congress was unanimous in urging upon the Governments of the various colonies the necessity for a factory and workshops' regulation law, for workmen's compensation, for the inspection of boilers, and for uniform colonial mercantile shipping laws. Upon questions of general policy the congress was united in opposition to Chinese immigration, while there were only two dissentients against a resolution condemning the expenditure of public money for the purpose of European immigration. The extension of the 8-hours system and the legalisation of trade unions, which were still nominally subject to the old conspiracy laws of England, were strongly urged, while the questions of co-operation and technical education were fully and favourably discussed. There was some opposition to a motion in favour of protection, though the majority of the delegates approved of it. The second congress was held in Melbourne in 1884, and 69 delegates took part in the proceedings—15 from New South Wales, 50 from Victoria, and 4 from South Australia. Most of the subjects which had been considered at the Sydney congress again came up for discussion in 1884. The two constitutional reforms most insistently urged were "one man, one vote" and the payment of members of Parliament wherever this had not been adopted. Motions were also passed in favour of a revision of mining, factories and shops' legislation, and it was also urged that the old master and servant law, based on the English Act of 1823, should be repealed. There was no discussion of nationalisation of land or industry, or indeed of any proposal that would to-day be considered of a socialistic nature. As a result of the meeting of the delegates from the different colonies an impetus was given to amalgamation. Thus the separate ironmoulders', painters' labourers' and seamen's unions of New South Wales and Victoria all decided to draw up intercolonial constitutions. Apart from this, other trades, notably the butchers, plumbers, bootmakers and bakers set about forming themselves into unions. But perhaps the most significant outcome of the 1884 congress was the decision to form a parliamentary committee in each colony for the purpose of assisting in passing through Parliament measures for the benefit of labour, and to obtain direct representation in Parliament. It was stated that this "could not but be the forerunner . . . of the eventual federation of labour throughout Australia."

The next congress was held in Sydney in 1885, and was followed by the 4th congress in Adelaide in 1886, and the 5th in Bris-

bane in 1888. Limitations of space preclude anything like the extended reference which the importance of these congresses deserves. The most important feature of the third congress (1885) was the adoption of a scheme for the federation of trade unions throughout Australasia. At these early congresses considerable attention was devoted to the question of co-operation. At the second congress, for example, it was stated that once the workers were organised, co-operation would follow as a natural sequence, and that the ideal of the wage-earners' life would then be reached, for co-operation in its true sense meant the recognition of labour as the employer of capital. Coming now to the Brisbane Congress of 1888, which was the fifth of these intercolonial conferences, it is found that the proceedings reveal the presence of more or less socialistic sentiment among the delegates. Some of the delegates themselves stated that they were advocates of socialism and of the nationalisation of land and the means of production. Intercolonial organisation, which had been advocated at previous congresses, but which had not yet eventuated, was the principal subject of discussion, and some of the delegates favoured the creation of a unified body similar to the Knights of Labour in America. However, the principle of federation, which had been gradually adopted by many of the more important trade organisations, prevailed, and the Queensland Trades and Labour Council was deputed to draft a federal constitution to be laid before the Trades and Labour Councils for their acceptance, and to report to the next congress. The Council presented its report at the sixth congress, held in Hobart in 1889, but it was ruled out of order. In Queensland, however, the scheme was adopted, and a provincial branch of an Australian Labour Federation was established in 1889. This system remained in force in Queensland until 1914, when the Federation was displaced by the Brisbane Trades and Labour Council. New South Wales also adopted the scheme in 1890, but in 1900 the unions affiliated with the Sydney District Council seceded from the Federation and enrolled in a new organisation known as the Sydney Labour Council, which was later extended into the existing Trades and Labour Council of New South Wales. At the seventh congress, held at Ballarat in 1891, a further attempt was made to promote a national organisation. The system, which had been adopted in Queensland and New South Wales, was recommended and approved by the congress. This scheme was subsequently submitted to, and approved by, the Trades and Labour Councils of the other colonies, but on reference to the individual unions it was generally rejected owing to the predominance of sectional interests. Western Australia adopted a scheme of federation in 1908, and is now the only State which works on that system.

The efforts of the trade unionists in supporting candidates for Parliament met with considerable success, and as early as 1875 a representative was elected to the New South Wales Parliament mainly on the vote of the trade unionists. At the Brisbane Congress of 1888 the parliamentary committee of the South Australian Trades and Labour Council reported that the Labour Council had supported nine candidates at the last general elections, and that seven of these candidates had been returned. In the same year four men stood as workers' candidates at the Queensland general elections; while in the following year the Victorian Parliament contained two members who could be classed as labour men. None of these candidates were, of course, elected on any labour platform, but at the congress of 1888 a motion was unanimously adopted to the effect that it was desirable that the several trades and labour councils "should formulate an electoral programme. . . . 'That no candidate who does not adhere to the Labor programme should receive the support of the labour party.'" This congress then marks the turning-point where organised labour definitely diverged from the old traditional trade-union lines to enter the political field of "new unionism."

III. The Maritime Strike and the New Unionism, 1890 to 1900.—The reaction which set in after the prosperous years from 1870 to 1885 was coincident with the continued decline in prices to which reference has already been made. The result of the reaction and of the falling prices was that profits were reduced and wages began to fall. In 1889 the great dock strike occurred in London. This was the culmination of an attempt to organise the unskilled workers, and the struggle reacted strongly upon opinion in Australia, over £30,000 being remitted to the strike funds from this country. Sympathy with the workers, and a kind of social sentiment, evoked by the dock strike among all sections of the community in Australia, prepared the ground to some extent for a favourable reception of the political propaganda of the trade unionists. Henry George's visit to Australia, the popular discussion of the economic theory of rent, and the wide circulation of books on socialism diffused among the workers ideas of industrial reorganisation. For half a century many persons in Australia had been seeking after some kind of land panacea. The new faith which was growing up manifested itself, a few years later, in the attempt to realise the socialistic ideals by the founding of the Australian communistic settlement in Paraguay, under the leadership of William Lane, an attempt which, like many similar enterprises, resulted in failure. Prior to the advent of the new unionism the workers in Australia had perforce supported the progressive elements of the existing political parties. They had brought to their task, it is true, no consistent economic theory or political philosophy, but their policy rested on the belief that the

levelling down of the old class privileges and the opening up of educational and social opportunities to all would bring in their train a large measure of economic equality. But during the latter part of the 'eighties the hitherto accepted economic individualism of their opponents was thrown aside; the doctrines of collectivism emerged, and distinctive policies were formulated. The early extension of the franchise* had done much to create interest in social and political reforms, and henceforth the expectation of progress was based on political organisation.

It was, however, an important trade union crisis that gave the final impetus to the new unionism. The immediate cause of this crisis was the desire of the union of marine officers to affiliate with the Melbourne Trades Hall Council. The shipowners joined issue with the employees on this question, and as the Trades Hall decided to support the officers, a general strike was declared. For a time industry was paralysed. In Victoria a remarkable land and building boom was at its height, and arising, as it did, at the apex of this boom, the crisis was the more severely felt, and it probably precipitated the final collapse which came three years later. Public opinion was divided, but, on the whole, was on the side of the employers. The men were defeated, and for some years many of the unions were prostrate. During the hard times of the 'nineties they found it was uphill work to regain their former positions and prestige. In 1891 and 1894 there were also strikes of the shearers, resulting in disorder and the intervention of the public authorities, a proceeding bitterly resented by the workers. The realisation by the unionists of the power of the Government to defeat organised labour in such crises by throwing its influence in favour of its opponents, resulted in the unionists turning to new methods and attempting to make their power felt in the Government itself. In short, the failure of these widespread strikes, the intervention of the Government in the struggles, and the general social discontent consequent on the collapse of the boom, and acute financial and industrial depression, were the immediate causes that brought organised labour into politics. Friendly and unfriendly advisers from all sections of the community pointed out the evils of industrial conflicts, and urged the adoption of constitutional methods. The trades unions were told

* Manhood suffrage came into force in South Australia in 1855, in Victoria in 1857, New South Wales in 1858, Queensland in 1872, Western Australia in 1890, and in Tasmania in 1901. Plural voting was not, however, abolished until a later date. Four of the six "points" of Chartism, viz., manhood suffrage, the ballot, payment of members, and the removal of the property qualification were realised at an early stage in Australian politics. The remaining two, viz., equal electoral districts and annual parliaments have been accepted with modifications.

to send their own representatives to Parliament to right their wrongs. They took the advice, and a unified and consolidated political labour party, backed up by the full strength of the trade unionists, in the Parliament of each colony was the result.

Space will not permit of any extended reference to the rise of the trade union political organisation, or the individual characteristics of the movement in each colony. It must suffice here to state that the movement grew rapidly in each colony, and that, as opportunity offered, candidates from the new party were put in the field with a considerable measure of success. Political labour leagues were established, conferences held, and platforms drafted. The first distinctive labour platform was put forward in 1890 by the A.L.F. in Queensland. This was followed in the ensuing year by the platforms of the New South Wales Labour League and of the "Progressive Political League of Victoria." The first general elections to be held after the establishment of the new regime were in 1891, when 29 members were returned on the party's platform in New South Wales. At the first caucus meeting of the Labour Party an attempt was made to adopt a pledge to vote as a majority of the party should determine. It was, however, found impossible to subordinate the issues of former campaigns to matters of labour policy, and the question of free trade and protection was the rock upon which the party split. A number of the Labour members refused to sign this pledge, and the party divided itself into almost equal numbers between the Ministerialists and the Opposition. Though the division of the party naturally weakened its influence, a new electoral law was obtained abolishing plural voting and otherwise favouring the franchise of the workers. This, then, was the first reform obtained by the "new unionism," a reform of a political rather than a social or industrial character.

The experience gained in this Parliament gave its warnings, and it was decided that the party must have more effective control over its representatives. The next campaigns—of 1894 and 1895—were of fundamental importance in the history of the new unionism and in the evolution of labour policy throughout Australia. The 1894 campaign was fought with the labour platform as a nominal issue, but with the issue of party organisation equally prominent. The official Labour Party, or "solidarity" faction, as opposed to the "independent" faction, insisted on the acceptance by candidates of a pledge which had been drawn up in accordance with a resolution adopted at a Labour Electoral League Conference held in November, 1893.* The "independent" section was not opposed

*The form of pledge drafted to comply with the terms of this resolution was as follows:—"I, the undersigned candidate for selection by the
branch of the Labor Electoral League,

to the principle of the pledge, but objected to the particular form adopted. As a result of this opposition, and of the refusal of certain candidates to sign the pledge, as drafted, a second conference was held in March, 1894. At this conference the resolution of the previous conference was confirmed, but a different form of pledge was drafted by a committee appointed for that purpose.[†] Although this pledge was accepted by a majority of the members of the conference, there was a distinct difference of opinion as to its suitability. At the next elections, held in 1894, 15 "solidarities" and 12 "independents" were returned. The experience of Labour members in this short Parliament, led to the conclusion that the pledge in its existing form was unworkable. In May, 1896, a special convention of the New South Wales Labour Electoral League and the Australian Labour Federation was held for the purpose of forming a new political organisation. The Australian Labour Federation formulated a new pledge, but the representatives of the Labour Electoral League at first refused to accept it. After further consideration, however, the latter body gave way and agreed to adopt the new pledge "at least until the next annual conference."[‡] A constitution was accordingly adopted for a new political organisation, known as the Political Labour League of New South Wales. The pledge secured the general approval of the party, and at the elections of 1895 the official

do hereby solemnly give pledge that if not selected as a candidate for Parliament by the branch I will not in any way oppose the candidature of the duly selected nominee of the branch, and I also solemnly give my pledge that if selected by the branch, I will, if elected to Parliament, vote in accordance with the spirit and the letter of the decisions of the Labor Conference of 9th November, 1893, and will in particular vote as a majority in the caucus may decide upon such matters as were specified by resolution at the 9th November Conference."

[†]The following is the form of pledge drafted:—"I, the undersigned candidate for selection by the _____ branch of the Labor Electoral League, hereby solemnly give my pledge that if not selected as a candidate for Parliament by the branch I will not in any way oppose the candidature of the duly selected nominee of this or any other branch, and I also solemnly give my pledge that if selected by the branch, I will, if elected to Parliament, vote upon all questions affecting the Labor Platform, the fate of the Ministry, the establishment of a monopoly, or the conferring of further privileges on the already privileged classes, as a majority of the Labor Party may in Caucus decide. I give this pledge on the understanding that on all minor questions I shall be left unbound."

[‡]The pledge of 1895 was as follows:—"I hereby pledge myself not to oppose the selected candidate of this of any other Branch of the Political Labour League. I also pledge myself, if returned

organisation men became the sole direct representatives in Parliament of the new unionism. It has been seen that for some years the trade unionists in each colony at first supported that party which accorded the greatest measure of favour to the Labour platform. A second stage was reached when, with increasing numbers, the party was able to maintain the balance of power, and at this period the dominating power of the Labour Party in party alliances was frequently manifest in the course of legislation. The third stage in the evolution of the Labour Party came when the party formed the direct Opposition; the fourth, when it held office. This successful activity in the political field is all the more remarkable when it is remembered that in about 1895-6, owing to the great industrial and financial depression, trade unionism reached a low water mark in Australia. There was a great scarcity of employment; wages fell precipitously, as also did rents. At this time the world-wide fall in prices also reached its lowest level. The membership of nearly all the unions declined, and a number of organisations practically ceased to exist. Between 1891 and 1895, inclusive, only about ten new unions were established in Australia. The country, however, recovered with surprising quickness, in spite of the adverse seasons which affected the pastoral industry, and the last quinquennium of the century was a time of gradually increasing activity and prosperity.

From 1896 to 1900 no fewer than 57 new unions were organised, and in 1898 a trade union congress was held in Adelaide. This was the eighth and last of the old inter-colonial congresses. Though of historic interest, it cannot be regarded as being of much importance owing to the poor attendance of delegates from the several colonies. The most important matter dealt with was the question of national organisation of unions, and it was decided to hold a conference at Brisbane of three delegates from each Trades and Labour Council in the ensuing year for the purpose of preparing a scheme of organisation. This conference met in 1899, and a scheme was adopted to be brought into operation when three or more colonies joined in. The scheme provided for a close system of federation by means of district councils linked up through provincial councils to a federal council. Provision was made for control in case of strike or lock-out and for the collection of funds. This scheme, however, like its predecessors, never came into force, owing to the antipathy of the sectional unions.

to Parliament, on all occasions to do my utmost to ensure the carrying out of the principles embodied in the Labour Platform, and on all questions, and especially on questions affecting the fate of a Government, to vote as a majority of the Labour Party may decide at a fully constituted caucus meeting.

IV. Recent Developments.—The reports of the proceedings of the first and second Commonwealth trade union congresses, held respectively in Sydney in 1902 and in Melbourne in 1907, shew that there had been a great change in the whole character of the trade union movement. In the report of the 1902 congress it is stated that since the Ballarat conference of 1891, the old prejudices, such as the fiscal question and Interstate jealousies, which had divided the different States and made a federation of labour impracticable, were removed. The contrasts revealed between the programme, opinions, methods of propaganda and economic theories of the delegates at these conferences and at the old intercolonial congresses are striking. Resolutions were carried in favour of nationalisation of industries, of uniform land value taxation, the abolition of the State Governors, of legislation for the eight-hours day, of the introduction of a trade-union label, and of the passing of a Federal Arbitration Act. A scheme for an Australian Labour Federation of a less elaborate, complex and costly nature than that approved in 1899 was drafted and adopted for the approval of the State Labour Councils and their constituent unions, and a federal executive committee was appointed. Though this scheme was again adopted by the congress held in Melbourne in 1907, and though a federal executive was again appointed, the scheme was not on either occasion taken up by the unions. At these two congresses the plan was adopted of sending delegates from the central and large amalgamated or federated organisations only, and not from the individual unions. The Trades and Labour Councils being deliberative bodies only had no direct power to bring about the adoption of the approved scheme by the affiliated unions. In 1913 an Interstate congress, composed of delegates from the Trades and Labour Councils only, was held in Adelaide, and a simple scheme of national organisation was adopted. This scheme was approved by the Councils in Sydney, Melbourne and Adelaide, and meetings of the Grand Council have since been held. The establishment of a national organisation was thus realised in 1913, no less than 29 years after it was first proposed by Mr. (now the Hon.) W. G. Spence at the second intercolonial congress of 1884. The chief work upon which the Council has been engaged is the important matter of securing uniformity of action in regard to the affiliation of societies, with a view to avoiding such duplication of effort and to obviating such unnecessary friction as exists in regard to such bodies as the Amalgamated and the Australasian Societies of Engineers or the Amalgamated Society of Carpenters and the Australian Society of Progressive Carpenters and Joiners.

Having briefly traced the history of the movement towards national organisation of trade-unionism, it is desirable to shew how

many of the present problems of trade-unionism arose. One result of the failure of the strikes of the early 'nineties was that it bred a certain distrust of the old weapons of trade-unionist activity, viz., the strike and collective agreements. The growth of sentiment in favour of Government intervention in the form of conciliation and arbitration and of wages boards, dates accordingly from the strike failures of 1890 to 1894. Different systems have been adopted from time to time in the several States, but the underlying principles in all cases are one or more of the following, viz.:—(i) The abolition of sweating, an evil which, as was shewn, for example, by the report of the Victorian Royal Commission of 1882-4, had become rife in various city industries; (ii) the prevention and settlement of industrial disputes; and (iii) the conception of the social and economic justice of what has come to be known as the "living wage." The application and development of these doctrines in the Arbitration and Wages Board Acts have brought into prominence certain questions of outstanding importance in connection with the history and future progress of trade-unionism in Australia. These are (1) the efficacy of the Acts in reducing the number of industrial disputes; (2) the problem whether the Acts can in the long run be effective in further increasing real wages; (3) the question of the organisation of unions involving the issue of craft v. industrial unionism and the "one big union movement"; (4) the question of preference to unionists; and (5) the anomalous position of the law relating to organised labour. It will be practicable within the limits of this paper to touch upon each of these matters only very briefly:—

1. As regards the question of industrial disputes, though it is a fact that both Commonwealth and State Acts have been the means of preventing and settling a considerable number of disputes, statistics shew that the number of stoppages of work is continually increasing. It is, however, significant that only about one-quarter of these disputes is due to demands for increased wages, most of them arising out of disputes as to the "employment of particular classes or persons" or as to "working conditions." Nearly all unions in Australia are in favour of settling disputes by what is commonly known as "constitutional methods," but they are nevertheless reluctant to give up the use of the strike as an industrial weapon in case of need. There is, however, a comparatively small section of the workers who favour direct action and, at times, control appears to have got into the hands of the hotter spirits whose idea of trade-unionism is a series of strikes. In this connection the powers conferred on the Grand Council by the 1913 Congress of Trades and Labour Councils in regard to the prevention and settlement of interstate disputes and the establishment of the separate State dispute committees by the individual metropolitan Councils are of far-

reaching importance, and it appears likely that the union themselves may, by the judicious use and development of such organisations, be able to do much in the way of eliminating many of the comparatively small and vexatious stoppages of work that so frequently occur. The amount of wages lost through disputes in 1913 and 1914 was no less than £788,000, while the number of disputes occurring in New South Wales (369) was two-thirds of the number (545) in all the other States put together.

2. As regards the efficacy of the wages board and Arbitration Court systems in further increasing real wages, it is, of course, not open to doubt that these Acts have done much to abolish sweating, and that nominal wages have increased rapidly since the various systems came into force. There is, moreover, no doubt that when a trade first comes under a determination or award, the employees therein ordinarily obtain a substantial increase in effective wages. This increase, however, is frequently "passed on" by the employers, with the result that the employees in the particular industry are benefited only at the expense of the workers in other industries and of the consumers generally. It has been recently stated by the Interstate Commission that manufacturers have succeeded since 1908 in more than passing on the increased cost of production, and the results published by the Commonwealth Statistician (Mr. G. H. Knibbs) shew that since 1906 effective wages have not on the whole increased. In view of these facts and of what has occurred in other countries, such as Canada, and even in Australia itself in past years (viz., from 1873 to 1885), it appears that the principal effect of the State regulation of wages has, in recent years, been to crystallise and hasten the operation of economic tendencies and to generalise an upward movement in wages which might otherwise have lagged long behind the increase in cost of living. This matter affords scope for earnest reflection and investigation.

3. In the organisation of unions in Australia there have been marked changes in comparatively recent years. In the first place the effect of the State Arbitration Court and Wages Board Acts has been to give a great impetus to the organisation of labour. The somewhat exclusive spirit which marked some of the earlier organisations of the relatively well-paid skilled artisans has given place in more recent organisations to a wider recognition of the essential solidarity of the workers. This widening of the ranks has been accompanied by the spread of unions among unskilled and female workers. A similar widening of sympathies and strengthening of bonds is shewn in the extension of organisation on a federal basis since the Commonwealth Act came into force. But few of the unions have established anything like strong benefit funds. This is due partly to the strong political development of the trade-union

movement in Australia and partly to the fact that the time and energies of the union secretaries are so fully taken up with work connected with the operations of wages boards and arbitration courts. In this connection it should be observed that the development of friendly benefit societies has assumed large proportions in Australia. One of the most significant steps in the evolution of modern trade-union organisation in Australia, is the "one big union" movement. Conferences were held under the aegis of the A.W.U. in 1912, 1913 and 1915, with the object of devising a scheme of amalgamation, with the result that several important unions have already joined in with the A.W.U. The closer organisation of unionism on the lines of an "amalgamation" or "unification" of labour was, however, received with disfavour in certain quarters, and other conferences were held for the purposes of bringing about closer unity more on the lines of a federation as distinguished from an amalgamation. The outcome of the latter conferences was the establishment in 1913 of the Labour Federation of Australasia, and in 1914 of the Australian Union Federation. The inauguration of these bodies has intensified the controversy as to the relative advantages of craft and industrial organisations. It is stated that the functions of the Australian Union Federation, which is organised on industrial lines, are to be executive in their nature. It is sought to establish the "unity of unionism" by gathering together the industrial organisations of the Commonwealth, and by supplementing existing organisations, such as the Trade and Labour Councils, which are to be regarded as deliberate or legislative bodies in the trade union movement. These proposals have not, however, been received favourably by the Labour Council of New South Wales. The recent developments in organisation, exhibited in the "one big union" and the "federation" movements, as well as in the establishment as a result of the Adelaide Congress in 1913, of a national Grand Council, all have a common basis inasmuch as they are all designed to counteract the fundamental sectionalism of trade unionism. The further development of these movements will be of momentous importance to the future of trade-unionism in Australia.

4. Preference to unionists was first authorised by the New South Wales Industrial Arbitration Act, 1901. Similar authority is now given by the New South Wales Act of 1912, and by the Commonwealth Conciliation and Arbitration Act, 1904-14. Preference is now ordinarily granted in the New South Wales awards, but under the Commonwealth Act an order for preference has been made in one case only, viz., the Brisbane tramway dispute, and in that case it was ineffective owing to the breakdown of the union. Two important developments of the principle have recently taken place, viz., (a) in connection with the appointment of temporary employees

in the Commonwealth Public Service, and (b) in the insertion of a preference clause in Federal contracts. With the ethical or political aspects of preference it is not proposed to deal in this paper. The main practical grounds on which preference is justified are as follows:—(a) That it is conducive to industrial peace; (b) that those persons who obtain improved working conditions by their initiative and expenditure of funds should be the first to benefit by the changes; (c) that since the Arbitration Acts recognise trade unions to be a unit in the industrial structure, and since the unions, in coming under the Acts, give up their right to strike, the law should secure them in the privileges which they formerly obtained by means of strikes; and lastly, (d) that an Industrial Court should be empowered to consider and determine any matter which might form an essential part of the demand made upon employers under threat of a strike. From the purely economic standpoint preference to unionists can be justified only if it results in increased efficiency, and this result may be attained in two ways, viz., (a) by a reduction in the number of industrial disputes and the elimination of the consequent loss in productivity; or (b) by increased productive activity in the enterprises or trades in which preference is obtained. Increased efficiency depends, of course, both on the employers and employees, and it is stated in the recent report of the Interstate Commission that, on the one hand, there were many instances of inefficient management and organisation on the part of the employers, and that on the other hand, while no definite data could be obtained, it was extremely likely that there had been a lessening in the average amount of work done per employee. Although the mere production of wealth cannot, of course, be regarded even on economic grounds as the primary objective of social organisation, yet working below normal effort cannot be justified, whether done with a view to making the work last longer, or to making work for other men. The problems involved in this question of productive activity are of such importance, both in relation to preference to unionists and to the matter of increases in real wages, that it is eminently desirable that they should be faced and considered.

5. Reference has already been made to the Acts passed in the several States for the legalisation of trade unions. All these Acts, with the exception of that in South Australia, are based on the English Acts of 1871 and 1876. The South Australian Act is based on the English Act of 1871 only. In all the States except New South Wales and Queensland further Acts have been passed based on the English Conspiracy and Protection of Property Act, 1875. That Act defined within reasonable limitations what constituted criminal conspiracy in trade disputes. Peaceful picketing was

legalised, whilst no form of coercion any longer involved criminal penalties on a unionist, unless the act itself would have been criminal if committed by any individual. In England two important Acts relating to trade unionism have been passed in recent times, viz., the Industrial Disputes Act, 1906, and the Trade Union Act, 1913. The main object of the former Act was to set aside the Taff Vale judgment of 1901, which decided that a trade union was liable for the tortious acts of its servants. Attention was directed at the Commonwealth Trade Union Congresses of 1902 and 1907 to the possible effects of this judgment on trade unions in Australia, and at the latter conference a resolution was passed urging the necessity for an Act based on the Trades Disputes Act to be passed by each of the State legislatures. Although the decision of the House of Lords in the Taff Vale case was followed by the High Court of Australia in 1906 in the case of the Brisbane Shipwrights' Union v. Heggie (C.L.R., Vol. 3, 1905-6, p. 186), no Act of the nature indicated has been passed in any of the States. The legal difficulties arising from the Osborne judgment as to the use of trade union funds for political purposes were met in England by the Trade Union Act, 1913. This judgment was followed by the New South Wales Industrial Court in a case arising in 1914 out of an attempt by the Railway Workers and General Labourers' Association to enforce a levy for the purposes of the Labour daily paper. In Western Australia the rules of industrial unions authorising the application of funds for political purposes have been declared invalid. It is obvious, therefore, that the whole question of the legal position of the unions in Australia is in an unsatisfactory and anomalous condition. The position is further complicated by the recognition of labour organisations under the Arbitration Acts. In some cases the status of unions as defined by the Trade Union Acts and the Arbitration Acts are incompatible, while in other respects the policy adopted in the English Trades Disputes Act for setting aside the judgment in the Taff Vale case, which has been followed by the High Court, is inconsistent with the statutory liabilities of unions in regard to strikes under the Arbitration Acts. In the introduction to the 1911 edition of Webb's book on Trade-unionism, attention is directed to the fact that on the principles laid down by the Courts in England, it is illegal for trade unions to use their funds for such purposes as the following, viz., the formation of libraries, university extension lectures, Workers' Educational Association classes, provision of public lectures, or the establishment of scholarships. In New South Wales it is understood that the Registrar of Trade Unions has recently ruled that it is illegal for unions to include in their rules and as one of their objects, "to promote feelings of friendship among members" or "to render legal assistance in defence of mem-

bers' rights," and that the objects are to be restricted to the advancement of "trade interests" only. It is stated that this decision is to be challenged. In Western Australia a resolution was carried at the last Labour Congress, held in July, 1913, in favour of passing an Act which would place trade unions on the same footing as joint-stock companies, and allow them to conduct their business and expend their funds in any way specified in their rules. The whole question has again come into prominence in that State on account of the action against the Murchison miners, on a charge of conspiracy arising out of a dispute at the Youanme mine. This case, in conjunction with the action against the Fremantle lumpers for refusing to work with Germans, has shown that trade unions in Western Australia still hold the position resulting from the Taff Vale decision. It is understood that the labour organisations in Western Australia are urging the Government to introduce a Bill placing the unions on the same footing as limited companies. It is somewhat remarkable that the law relating to trade unions should have remained in Australia for so long a time in such an unsatisfactory and anomalous condition. The desirability of uniform Federal legislation on this subject appears obvious.

V. Conclusion.—In the preceding historical review an attempt has been made to describe the more important features and characteristics of the trade union movement in Australia. It has been shewn that the early development of unionism was due to the gold rush, and that the movement was at first most prominent in the building trade. As other industries grew trade unionism appeared, the main objective of unions in these early times being the eight-hours day. From 1873 to 1885 was a period of great prosperity, and by the latter year trade unionism had reached a high-water mark. In the meantime two important land-marks in trade union history had come into view, viz., the legalisation of unions, which was effected first in South Australia in 1876, and the inauguration of the inter-colonial congresses in 1879. Trade unionists had as early as the 'seventies turned their attention to political agitation and to the support of candidates favourable to the workers' cause. The final impulse which turned trade unionism into political lines was given by the industrial troubles of 1890 to 1893. Though the distress which followed the reaction from boom conditions brought many industrial organisations to a low ebb in the nineties, remarkable success was achieved in the political activities of the "new unionism." At the Brisbane congress of 1888 the emergence of socialistic views and proposals was first seen, and a marked change is revealed in the policy and proceedings of the trade union world during the 'nineties when compared with preceding years. Coming to more recent times, changes in the organisation of unionism and the

significant movements towards "one big union" have been noted, while in 1913 the efforts of nearly thirty years towards some form of national organisation were consummated. Finally it has been shown how the practical policies adopted as the outcome of the new unionism, with the object of regulating industrial conditions and ameliorating the lot of the workers, have given rise to problems of far-reaching importance.

The history of trade-unionism in Australia demonstrates clearly the transition of the workers from the individualistic to the collective ideal. It shews also the power of the workers to combine out of their own resources, and to look inside their own class for ideas and leadership. The success of the movement must be ascribed mainly to the three following factors, viz.: (a) the opportunities afforded to the workers by the wages board and Arbitration Acts for improving their conditions of labour; (b) the superior attractiveness for the workers of the labour platforms to anything offered by other political parties; and (c) effective organisation and discipline. Constitutional action has become the characteristic feature of the trade-union movement. The trade unionist considers that the only practicable means of realising his collectivist ideas lies in the adaptation and evolution of the existing social structure and in the wide extension of that national and municipal organisation towards which some steps have already been taken. Nevertheless, trade-unionism includes within its ranks a number of hotter spirits, generally among the unskilled workers, who would prefer, if practicable, the adoption of more direct methods. Though there is in some sense an idealistic element in the trade-union movement that gives it a certain moral force, yet historical examination shews that practical considerations have largely dictated a policy which may perhaps be best described as pragmatical. Attention has been directed to some of the more important problems that have arisen in carrying out that policy. Not only do these problems afford a rich field for economic and political research, but it appears probable that deliberate and conscious advance towards the realisation of the ideals of trade unionism must depend largely upon the success with which these problems can be attacked. Moreover, a study of the internal structure of trade unions and the prolonged trial of the machinery of representative government and the frequent invention of new forms and devices for improved administration and organisation offer valuable material for generalisations full of interest and significance to the student of democracy and the statesman.

QUESTIONS AND DISCUSSION

ON THE

HISTORICAL DEVELOPMENT OF TRADE UNIONISM IN AUSTRALIA

A DELEGATE said that such projects as Mr. Lane's "Paraguay Scheme" were only successful when prompted by religious impulse.

ANOTHER DELEGATE stated that the Operative Masons' Union developed from a Benefit Society.

MRS. DWYER asked if the lecturer could give any practical suggestions as to the formation of women's organisations.

MR. LIGHTFOOT replied that it was a question that the men's organisations would best be able to settle.

MR. WILLIS said that the keynote of the Conference was how to make workers efficient. He maintained that in the mass the workers of to-day were far too efficient. They were suffering from over-efficiency, which in practice means sweating. Out of the efficiency of the working-classes the nations had built up their armaments for the present world-struggle.

MR. ATKINSON said that the delegate had expressed a half-truth which all the more needed refuting. What was sometimes called over-production was, in fact, partly bad marketing and partly bad distribution, i.e., defective social organisation. There was not, in any country, enough wealth produced to provide the means for a full and sufficient human existence for everyone. The continued progress of the working-class was impossible without a continuous increase in efficiency.

MR. DUNCAN said he would join issue with Mr. Willis. It was not over-production, but under-production from which we were suffering. Multitudes were without the means of subsistence. Land monopoly was the great curse of modern society. One point brought out by Mr. Willis was that there was a vast amount of misplaced production. If Industrial Arbitration was useless, we should have to tackle some other method.

MR. FARRAR said he would like to know how Mr. Lightfoot got his information that the Australian Workers' Union took the initiative in organising the first Parliamentary Labour Party. The facts were not as stated in the paper. He (Mr. Farrar) had nothing to say against the A.W.U., for it was in the old Shearers' Union that he received his first lessons in Unionism. But the papers read at the present Conference would become historical documents, and they must not allow errors to pass unchallenged. The idea of the Labour Pledge was first mooted at the Wollongong Conference in 1894. Tommy Dodd made the suggestion. The A.W.U. was not in existence at that time. As a matter of fact, when the first batch of candidates came out, the Shearers' Union ran men in opposition to them (the speaker here quoted several names). The Shearers' candidates signed the Riverina Pledge.

MR. SPENCE complimented Mr. Lightfoot on his paper. He knew the amount of labour it involved. In 1886 he had himself made an attempt to collect material for a book. He travelled some thousands of miles interviewing different people, searching through records, and so on, but circumstances had compelled him to give up the task. In answer to Mr. Farrar, he had to say that the facts were as stated in the paper.* There was an election early in the year 1894, when the rival parties opposed each other. The A.W.U. was organised shortly afterwards, and when another election came on in the latter part of the year, the A.W.U. organised the campaign, and succeeded in returning to Parliament the first Labour Party. With regard to the Conspiracy Law, he had known men to be sentenced to 15, 10, and 4 years' imprisonment. In Victoria, recently, men had been sentenced to 12 months' imprisonment for "conspiring to raise wages."

MR. GLYNN was of opinion that the failure of society was due to the weakness of human nature, aggravated by differences in environment. While there was so much jealousy among the different Unions, conditions would not improve. The speaker gave instances of workmen trying to secure one another's discharge.

MR. FOX said that, reviewing the work of the past, the Unions could claim to have justified their existence. The first Unions

*Since the Conference, Mr. Lightfoot has consulted with Mr. Farrar, and made an amendment in his paper in conformity with new evidence presented.—[ED.]

were little more than drinking clubs. They had made great strides since that day. There was no comparison between those early efforts and the great organisations of to-day. With regard to efficiency, it could be said that the workers had never had an opportunity to consume enough to make themselves efficient.

SEVERAL DELEGATES then discussed aspects of industrial efficiency and the economy of high wages. The chairman remarked that these matters did not come strictly within the scope of the paper under survey.

MR. LIGHTFOOT, in a brief reply, said that he could not agree with Mr. Willis in his remarks on over-production. According to the tables issued by the Commonwealth Statistician, the production in certain manufacturing industries in America was just about double per individual employee, of what it was in Australia. It was impossible to say how much of the increase was due to the more highly developed capitalisation and specialisation of America, but there was evidently room for improved efficiency in one way and another. He was convinced that the workers in Australia were not producing all they might. Any industry, the speaker continued, should be considered parasitic if it could not afford a wage sufficient to maintain its workmen in decent comfort. If it was necessary to the community, the community should subsidise it. There had been conspiracy prosecutions of Trade Unionists in West Australia recently.

THE Effect of Industrial Legislation in Australia upon the Ideals and Aspirations of the Workers

BY F. W. EGGLESTON

The part played by ideas in political development is curious and significant. The democratic movement of the last century was a veritable battlefield of ideas; but the actual evolution of political and economic conditions pursued a course only remotely correspondent to the development of political and economic thought. Each democratic advance was achieved as the result of an organised onslaught, in which ideas played a great part, both for the attack and defence. But these ideas proved to have only a fortuitous connection with realities. Democracy attacked certain of the strongholds of privilege in the name of "equality" or "fraternity," confident that the destruction of the particular stronghold would liberate certain beneficial influences, and that these would sweeten all human relationships. These ideas obtained full recognition, but in reality the ground gained was small. The same human tendencies which had created privilege were not eliminated, and the same evil has tended to grow in other places.

The democratic advance again was resisted in the name of ideas. For two centuries the cultured thought of Europe, from Bourke to Emile Faguet, has been busy finding reasons against the onward rush of Democratic forces. We have had the Divine Right of Kings, the Constitutionalism of Bourke, the theory of Deference of Bagehot, the theory of Incompetence of Faguet, and of Mob activity of Le Bon. On the side of economics, we have a luxurious crop of reasons produced by men who *have* to show men who *have not*, why it is they

have not, and why, indeed, it is better for them that they never should *have*. All this body of thought seems to me to be faulty, disingenuous, and insincere. It was not merely an intellectual mistake: it was bad faith.

In the main, these great political ideas of the 19th Century have worked themselves out without leaving social problems very different from what they found them. Political thought is in a state of disillusionment. The realisation of the futility of these controversies contributes very largely to the increased bitterness of the social struggle. In social life the real politik prevails. Men cast reason aside and face each other with no equipment but their wills and passions. This leads us into a vicious circle, for in proportion, as the social struggle approaches the war type, so will its results decrease. The class war, with its denial of rights to the combatants on each side, its negation of all the social virtues, cannot produce any social good. A great deal of good would be done if the social movement could be freed from a false and inadequate system of ideas.

In the struggle which has so far taken place, one idea has been developed which is of some relevance to our subject. Each side has used, in a somewhat different way, a common idea. Conservative thinkers have argued that all concessions, economic or political, would undermine the system, render the working classes inefficient, and take away the stimulus to improve their positions. The democratic thinkers, to a certain extent, adopted this idea, and spurned many of the concessions offered by Liberals on the ground that they would sap the independence of their followers. This is the famous theory of the palliative. The orthodox socialists of the Victorian era argued that the old system was fundamentally bad: the only way to better things is to destroy the old utterly. Every concession which tends to make the old system tolerable stands in the way of the necessary aim of destruction. To my mind the theory which condemned the palliative is just as discreditable intellectually as the conservative theory is morally. Nature does not do her characteristic work in revolutionary spasms. If we destroyed our present system some other would have to take its place. Human qualities are not such that the natural result of their unguided operation is something good and beautiful. The whole course of history shows the contrary of this. To build something better than our present system requires higher moral, spiritual and intellectual qualities on the part of mankind. If the whole of society is destroyed root and branch, the task of a beneficent reconstruction would be far beyond our resources. History shows that progress is obtained gradually—the small improvement here, the evil removed there. The way of evolution is precisely through the palliative.

Thus as an abstract idea the theory of the palliative can hardly be supported. If we come to the facts I think we get the same results. If there is any substance in the theory of the palliative Australian experience should afford pretty conclusive evidence upon the point. The characteristic devices of Australian democracy have all been more or less in the nature of palliatives. The palliative, therefore, must have had its effect, detrimental or beneficial. If the conservative theory is true, it must have destroyed the initiative and efficiency of the working class. If the socialistic theory is true it must have led to the workers becoming willing slaves to the capitalistic machine. It must have bribed the independent toilers for a few shillings a week to support their enemies. Now if we look at the facts we shall quickly come to the conclusion that both these suggestions are the products of mere idiology, and have little connection with reality.

It is no doubt true that there are many facts which do tend on the surface to support the theory of the palliative. Capitalism has not been defeated, and nothing in the present situation indicates that it is likely to be. Workers generally are content with their position. Great schemes for the improvement of the workers lack support; class loyalty, let alone consciousness, can hardly be said to exist. The class war may be a reality in England, America, or Europe, but in Australia it is a figment of the imagination. The workers are tame, fat, scant of breath, and scant of moral and intellectual ideals. I am not a candidate for Parliament, so I can afford to speak the truth, and there is no one who needs the truth from one who believes in them more than the Australian workers. I have frequently been shocked at the back-biting and recrimination, the disloyalty and lack of solidarity, displayed. The relations between the members of the professional, commercial, and clerical classes are on a higher plane of camaraderie, good-feeling, and generally playing the game.

The question in my mind is, Whether this state of affairs is the result of the palliative? I do not think so for one moment. Socialist thinkers have too much the idea that mankind is suffering from a load of institutions imposed by some external force, which clog his activities and drag him to a level to which he would never have fallen if he had been free. If this is examined, however, it will be found to be a very paltry excuse. Our social institutions are, and must be, representative of the ideas, the aspirations, the moral impulses and deficiencies of the people of all classes. They are imposed upon us by our own weakness. Our institutions are what we make them. Capitalism is not the result of the machinations of malignant individuals, but rather the measure of

the economic foolishness of the masses. It is the workers' wives, looking for bargains in George-street and Oxford-street, who convert small-minded counter-jumpers almost automatically into wealthy capitalists. The palliative is only one straw in the category of social forces. What we have got to realise is that social improvement must be the product of a higher level of social life, better thought—a nobler morale. I admit that much of our present system is not only bad in itself, but is depressing the moral activity of the future generations. A vicious circle is established, which, if not broken, causes progressive social decadence. Our political effort is rightly directed towards rectifying the evils, one by one, by political remedies. But we must always remember that the evil must be traced to its real source—our own deficiency, and that legislation will not be effective unless it is accompanied by a higher social activity. The converse is probably true also, viz., that higher social life is not of great avail unless it is assisted at certain points by legislation.

We must realise that, as evolution progresses from stage to stage, there is a change in the process. In the earlier stage each upward step involves a higher demand upon the intellectual and moral resources of the individuals concerned. The Democratic movement in Australia has reached this later stage. It awaits a higher conception of social duty, more intellectual and moral activity.

The raising of the issue in this form is the direct result of the various forms of industrial legislation, which are the characteristic products of the social movement in Australia. It is worth while examining this more closely to see the exact issues raised by it. The great object of this legislation is in reality to raise wages to a higher level than they could be raised if the relations of employer and employee were unfettered. This starting-point is usually termed the economic level. But that pseudo-scientific term is only a delightful means of concealing the fact that wages are determined in a struggle between two human beings—employer and employee—and the exact level corresponds to the relative power of each. The attempts to raise wages have been successful mainly because they have altered the relative power of these two parties. The power of the State, working as much through the social instincts as by means of direct provisions, has stepped in to assist the worker, and by strengthening his position has made a distinct gain for him. It seems to me clear that there has been a rise in real wages as a result of our industrial legislation, even taking into account the rise in prices, and that in the rise of prices the wages have not been trenched upon as they undoubtedly would have been had there been no industrial legislation. I think industrial legislation has worked an appreciable redistribution of the produce of labour in favour of the

worker.. The benefit of this should be incalculable. The difficulty of the worker in the usual economic conditions is his lack of resources, his inability to save except at the cost of his health. He could not withhold his labour in order to get a higher price for it, because, if he did so, he would starve. But in Australia wages have been sufficiently high to enable him to increase his resources in many ways. The worker can buy his own house, he can educate himself and his children, he can buy his tools, and he can put aside something for a day of need. I do not say that his economic resources are anything to boast of, but at any rate, the worker has been elevated from his rut. He can at least realise some of his possibilities. He is less likely to be content with his new lot than, stupefied by despair, he was with his old.

It is when we look deeper, and consider the trend of newer developments that we see, however, how small the real advance has been. In the first place, the increased wages have been paid by the industry, and not by the capitalist. The capitalist has not become poorer by the process. If anybody has suffered, it has been the consumer. Higher wages have been paid partly out of higher prices, in which the whole community has shared, partly out of the increased consuming power of the masses and the more rapid circulation of money, partly by means of a re-organisation of industry securing greater general efficiency, partly out of the increased efficiency of highly-paid labour. It will be seen that none of these sources of higher wages are permanent. If prices are universally raised in all industries, higher wages will be only nominal, and the real consuming power of the community will not be increased. The time will come when organisation of industry will reach its utmost pitch, and the economy of high wages must reach a vanishing point. It would be ridiculous to say that this exact point has been reached, but things are tending in that direction. This tendency is intensified by another feature. The industrial legislation in Australia involves no revolutionary change in the relations of employer and employee. It recognises the wage system, and perpetuates it. It checks any attempt to upset it. This must be taken in conjunction with the fact that the change in the relative power of employer and employee, introduced by industrial legislation, is a factitious one. Like all State action, it only works roughly, and on broad, general lines. There is nothing to check the power of the capitalist to improve and consolidate his position and to redress the position he had lost. The system itself encourages the organisation of capital in various ways. It stimulates the sense of common interests in all the members of that class, and it facilitates combination in all its forms. To-day I think it is true to say that the capitalist has a stronger hold on industry than he ever had before; and though I don't think he is

using this power to get back what he considers a "bit of his own," I am certain that he is using it, and will use it, to prevent the worker improving his position. I do not see that the efforts of Labour Parties can ever prevent him from successfully maintaining this position.

This summary of this phase of Australian development presents a characteristic incident in social evolution. First, a rapid advance, overcoming the obvious barriers to progress, and then a deadlock, in which further progress seems difficult, if not impossible, and we are inclined to question the advance that has been made. The real truth is, that further advance demands qualities in the human beings involved of an altogether higher order, and until these are forthcoming, advance is impossible. This seems to me just the position in Australia. We have gone as far as legislation and mechanical means can take us. We have our higher wages, our increased comfort, and the like; but we have not inaugurated a new order. We still have the crude antithesis between capitalist and proletariat. We have not seen the appearance of a higher order of being, but still the mass with its narrow outlook, its somewhat low aims, and its disorganisation.

The complete lack of any intellectual grasp of the difficulties of the problem, and of any alternative methods to meet the situation, is conspicuous. Hope for the future depends upon new ideas and more refined methods. We may get Labour Governments in power, but without a revolution in the spirit of the workers, and a higher quality of its mentality, there will not be real progress. This is the position to which industrial legislation has brought us, and by raising such a crucial issue in so clear a way, it has deserved well. The old abstractions in the question have been proved false. The palliative has not sapped the independence of the workers, nor has their efficiency been impaired, their ideals and aspirations have not been profoundly affected. But what the movement has done has been to raise clearly, insistently and peremptorily, the demand for newer, more earnest, and more intelligent effort to secure the workers' ideal. There are many workers who realise this, and most of those who do turn to ideas of revolution and the class war. The problem, however, is of such a character that such methods are worse than useless. Revolution may be an appropriate method of removing gross obstructions, giving free play to faculties which have been crushed. The class war may be necessary to give the workers their share in Government. But events in Australia have shown that it is comparatively easy for the workers to secure political dominance, and, so far as political power can give it, economic power. But the whole question is whether they have sufficient

mastery of the subtle intellectual and moral problems involved to do any real good with the power they possess. Certainly, the crude methods of the class war and revolution will not do what is required. What is required is hard and patient thought, a spirit of personal service and self-sacrifice; above all, the habit of fellowship—a higher interpretation of our duty to our fellows. Australia has pinned her faith very largely to State action in various forms. But in doing so, we have forgotten the essential difference between political action and economic action. I am not a disbeliever in State action. Far from it: I approve of it thoroughly. What I do say is, that we cannot realise the full benefits of State action until we realise its limitations and the conditions which must be present for success. State action alone cannot achieve purely economic results. It may be a factor in those results, but it can only be one factor among many. State action is only successful in so far as it produces a responding activity in the citizens, and it is this responding activity which is the important thing, and which is the real cause of any economic results. We may give every credit to the citizenship of every member of a community, and to their desire to obey a law, but every law cannot be obeyed. The degree to which a law can be obeyed depends upon the capacity of the citizens, mental and economic, to re-act to it on their inherited ideas and instincts, and their conditions of life. All political action is deliberate, general in form, requiring adjustment in particulars, and is conceived on broad lines. All economic action is particular, unconscious, instinctive, and can only be ascertained in its accumulated results. To work a change in the economic status of individuals requires something more than a series of laws, and the machinery for their enforcement. It requires the adjustment of the individuals to the laws, and a constant activity in the direction indicated by the law; otherwise the law will remain ineffective. In other words, to work a redistribution of the produce of labour, laws will be ineffective without an active reaction on the part of those intended to be benefited, and the assumption by them of fuller responsibilities and new and more efficient methods. Indeed, it is possible (and this it is the main purpose of my paper to suggest) that the results aimed at by such laws might be achieved by the combined economic activity of the workers if the difficulties of conceiving and carrying out such a combination could be overcome.

Do not mistake me. I do not suggest that men must work harder or longer hours. What I suggest is that the quality of their work should be improved, their status bettered, their share in the industrial organisation changed from that of a pawn to that of a partner, sharing the difficulties, the responsibilities, and the burdens, as well as the products of industry. I think it may be laid

down as an axiom that further progress cannot be made in improving the position of the worker unless he is prepared to take on higher responsibilities, and duties not more exacting but of a more responsible nature. The improvement which should be aimed at is not one in material reward, but in improved status. How this increased share of responsibility is to be given is a problem for which I have no cut-and-dried solution. The man on whom the responsibility for industry is placed at present is the capitalist. The improvement of the position of the worker necessitates that he should be able to discharge the duties now performed in the industrial organisation by the capitalist. This may sound forbidding, but it is essential: and though the State may assist, it cannot dispense with this necessity. I do not think that the problem is nearly so difficult as some people think. There is no conspicuous service rendered by the capitalist to industry which cannot be performed by other people if they bend their minds to it. One great difficulty about the matter is that the function of capital is often confused with the function of the capitalist—quite a different thing. The use of capital in industry may be acknowledged, but whether it is as useful concentrated in fixed sums in the hands of individual capitalists, is very questionable indeed. We have to realise that capital is only a notional term for what is really human capacities. Effective use of capital depends largely upon moral and intellectual qualities, which are by no means a monopoly of capitalists. Very often the presence of these qualities will dispense with the need of capital in the accepted sense. If the workers seek to take a higher status in industry there is nothing in the position of the capitalist which cannot be supplied by eager, enthusiastic, and intelligent effort. I do not suggest for one moment that it would not be difficult in the extreme for industries not subsidised by capital to compete against the highly-subsidised industries of to-day; but I say that it is not in the nature of things impossible, and the difficulty and the qualities, moral and mental, called forth to overcome it, may be the price of further industrial success. As a matter of fact, if you take the wealthy industrialists of Melbourne to-day, you will find that most of them started in a small way, with insufficient capital. They supplied that lack with moral qualities, which stood them in good stead in times of success as well as in the time of struggle.

Does not the problem resolve itself somewhat as follows:— Unless the workers are willing to accept some of the responsibilities and to exert some of the faculties of management and control, the case *for* higher material benefits in industry falls to the ground; while if the workers show that they can share in the responsibilities,

as well as participate in the control of industry to advantage, the case *against* the workers' improvement falls to the ground.

Though I have perhaps dealt with the issue plainly raised in the title, it would be absurd to shirk the most difficult of all problems to which my thought leads. How can the workers secure their improved status in industry? My own suggestion will be simple, and there are several others which are simple in form. There is the syndicalist idea that the control of industry may be seized by the worker; this seems to me somewhat in the nature of a bad dream. Even strikes for improved status can achieve little where the thing to be aimed at is a permanent status in industry. This, of course, depends upon careful organisation and the gradual acquirement of habits of control. These extraordinary suggestions, together with the absorption of workers in political issues, seem to me to indicate that the excitement of the struggle tends to carry the worker away from the nearer issues. Is not the real solution much nearer to you? Have you not got all the resources required for a solution within your own control? Have you not brains and hands? You have your own organisations which have stood the test of the keenest opposition. All that is necessary can be done by you.

"Men at some time are masters of their fate;
The fault, dear Brutus, is not in our stars
But in ourselves, that we are underlings."

The opportunity seems obvious. There are many branches of industry in which the workers are well organised: the technical requirements of the industry are not great, the problems of control are fairly simple. On the other hand, the workers in these industries are well organised. In their Trades Hall, or other central organisations, they have a powerful protector. Why should not the workers in that industry meet, and, with the assistance of their central organisation, set up a Co-operative Establishment for the manufacture and supply of the particular goods or utilities made or supplied by the men in question?

Of course I realise that, though the opportunity is obvious, the project is, in fact, full of difficulties in realisation. I do not feel called upon to discuss these difficulties in detail, or to formulate exactly the form the industrial organisation should take. That must be left to experience to work out. There are, however, certain principles which need to be worked out.

In the first place, the principle of co-operative control should be definitely worked out, and not shirked. By this, I mean that there should be no sentimental application to industry of political desires, but efficiency in control should alone be considered. The idea that

democracy is incompatible with leadership and authority or submission to expert control should be discarded.

Secondly, the whole weight of the organised labour available for the work, and labour in other industries, with its existing organisation, should be used to secure the success of the work.

Thirdly, the movement should proceed in the direction of integration or organisation of industry rather than division. The whole process should be dealt with from the buying of the goods to the distribution of the product. Similarly, the efficiency of the worker, both mentally, physically, educationally, and technically, should be the care of the organisation. The whole life of the worker should be related to his work.

Fourthly, the supply of the larger utilities of economic life, such as banking, insurance, building societies, and even the distribution of food, should be organised by the association of the different industries in a co-operative scheme.

The problems involved in these suggestions are vast, and will take many years to solve. But I contend that, involving, as they do, the direct contact by the workers with economic problems, they are the legitimate scope for their activity, and in the long run provide the most profitable sphere of work.

Let us consider some of the great difficulties which a worker considering the pros and cons of my suggestion would fear. One thing that would occur to him would be the difficulty of meeting the strenuous competition of modern economic life. It will be noticed that my suggestion does not involve the taking over of a section of industry by the workers. It involves the establishment of a small co-operative industry competing against capitalistic industry, and gradually winning its way. Under ordinary circumstances one would say that such an industry had no chance. The history of co-operative industry is not a happy one, and does not give one great encouragement. Nevertheless, I would affirm that the presence of difficulties like this must not deter us. The overcoming of such difficulties is, I think, the price of further advance. Unless the qualities necessary to overcome the difficulties of competition exist within the labour movement, then its prospects are not bright. The absence of these qualities must mean failure in any attempt it may make in any direction. There is no matter which needs to be faced so much as this does by the worker. He must realise that economic advance cannot be achieved wholly by political dominance. Political achievements, however necessary to redress the balance in favour of the worker, are only the beginning of the problem. The real conflict comes when the worker gets into personal and individual contact with economic problems, meets economic forces, suffers

defeat, is baffled by influences which he hardly understands, but gradually learns the sacrifices that are needed, the lessons that must be learned, and gradually develops the qualities and the intelligence which must come before success is achieved. Politics is not the royal road to economic advancement that we in Australia think it is. There is no royal road. The only road is the hard and narrow road of personal, disinterested, self-sacrificing, intelligent mutual effort.

The history of co-operation in Anglo-Saxon countries is not a pleasant one. But if we analyse the cause of the failures, I think we shall see that these failures were occasionally deficiencies, the occurrence of which must wreck any great social scheme. These failures have been lack of an intelligent grasp of the principle of co-operation, lack of earnestness in the cause of co-operation, lack of fellowship or class loyalty. The great vice of democracy is that men approve of vast schemes of legislation and reform, but do not or will not make the petty personal efforts and sacrifices which are essential to the complete success of these schemes. If, when co-operative schemes are established, workers and their wives have not the sense nor the loyalty to support them, then those workers proclaim themselves incapable of any social or economic advance, and the wise man will cease to worry about their future. I do not give any ground to criticism which alleges that my scheme is too difficult to succeed. What I say is, that unless the workers do show the qualities necessary to overcome difficulties of this kind, they will not be able to do very much for themselves. The political leaders will not do much for them either.

I do not suggest that the workers should not have every assistance from the State and from organised workers. There is always unfair competition, which can stultify the best efforts of new arrivals in the field. There is also lack of efficiency, due to the more effective striking power of an automatic organisation and the difficulty of organising co-operative schemes. In view of this, there is no reason why the State should not encourage and protect the co-operative working class organisation. There is also every reason, and an imperative duty, for every worker to work and secure the success of these co-operative schemes. Another class of difficulties is related to the problem of organisation which I have not touched, because I think that such questions must be worked out by experience. All I would suggest is, that there should not be a wholesale introduction of democratic political devices in relation to the control of the co-operative mechanism. Such devices would be entirely out of place.

At present the workers are engrossed with purely political ideas, and nothing is more lamentable than the intellectual bankruptcy of

the parties who have achieved the utmost they had ever hoped. If the workers will only realise that this is only a first step, and that further progress depends upon a more intensive effort, if they rely on themselves, then I believe they will create a newer and better order.

My paper is purposely put in the form of a challenge to the worker. It places upon him a burden and a responsibility which has been placed upon no other class. I have felt all through that it is intensely unfair for one who, though thoroughly imbued with the ideals for which workers stand, has never had actually to face the difficulties of their position, to endeavour to fasten the whole responsibility for improvement in the social order upon them. I feel that what the workers have most to complain of in the attitude of other classes towards them is the lack of the ordinary decencies of courtesy and chivalry. Self-interest and the fear of the loss of a privileged position have led to their attitude. But this does not absolve us from facing the problem. Whence is a betterment of social conditions to come? From privileged classes or workers? Is not the burden of the responsibility for the change to be placed upon those who seek it? Will not the acceptance of those responsibilities give you economic claims?

My position is one of entire confidence in the success of the workers, if they will accept that responsibility. I am not going to suggest that the worker is a superior being, morally or intellectually, to other classes. But I do feel that he has certain qualities, and that there are certain advantages in his position, that must tell for a great deal. When other classes are evading the realities of life, he is in close touch with them. His experience of life is real and vital. He has been spared the sophistication of a false education and the deadening influence of a false standard of comfort. His back is broader, his will is stronger, his wants are simpler, his head is harder, his heart is softer. If he sees where his strength lies, and relies upon himself, not only will his own position be improved, but he will permanently improve the whole social order.

QUESTIONS AND DISCUSSION

ON THE

EFFECT OF INDUSTRIAL LEGISLATION IN
AUSTRALIA UPON THE IDEALS AND
ASPIRATIONS OF THE WORKERS

MR. EGGLESTON, in answer to questions, said that the Theory of the Palliative maintained that so-called social reforms offered to the workers by the bourgeois class, sapped the independence of Labour, and should, therefore, be rejected. Continuing, he said that it was true that State control was a form of co-operation. Up to within the last year or two, he had hoped that this form would prove adequate. Clearly it was not so. This was either due to the fact that democratic control by the State had not been sufficiently worked out, or because the employees of the State did not realise fully enough the responsibility laid upon them. It had been suggested that the State might do its work through Commissions. But these had not proved particularly satisfactory in the past. In answer to a question whether failures in State enterprise were not due to the lack of the very qualities which had been claimed as necessary to the success of co-operation, Mr. Eggleston said that State enterprise did not put the responsibility for the success of industrial and social undertakings on the right shoulders. The State must always remain, to some extent, an external organisation, while the responsibility should really rest upon the people themselves. In the case of State enterprise, there was a tendency for one to think that work was being done for one, and that it was not one's own concern.

MRS. DWYER said that one-half of the difficulties the workers had to contend with was their want of knowledge of how to buy. In Australia, the men cast the responsibility of spending their wages upon their women-folk, and, she thought, rightly so; but the women were not educated in the art of buying. The speaker

thought they should organise themselves into a Housewives' Association. The housing problem was most pressing. The State had assisted them to cope with this difficulty as well as the circumstances allowed, but the workers should help themselves. It was all very well for Mr. Eggleston to have a fling at the workers' wives, hunting the bargain counters in Oxford Street. Who could blame them, she asked, while they got such a paltry pittance as they did at the present time? Nor was it only the wives of the workers that haunted the bargain counters; the speaker had seen solicitors' wives and doctors' wives just as eager as anyone else. Neither did she blame them. It was not that the workers preferred to patronise the sweeter, but it was a case of buying there or not buying at all. There were many workers, nevertheless, who preferred to do without buying, to avoid encouraging sweating.

MR. O'DONOGHUE failed to see any meaning in some passages of the paper. He thought it was nothing but a confused tangle of empty phrases, which meant nothing. He thought some people were too apt to abuse what they did not understand. The writer of the paper showed that he was ignorant of the facts relating to the mid-Victorian socialists. The speaker then went on to explain his views of Socialism and the theory of the Palliative.

MR. PULSFORD said that Trade Unionism originated in selfishness. Preference to unionists meant preference to the most efficient workmen, and the discharge of the less skilful or less fit. Unionism should be more charitable and try to create greater moral influences. It should enter the field of co-partnership and co-operation.

SEVERAL DELEGATES accused Mr. Pulsford either of gross ignorance of the practice of unionism, or of deliberate mis-statement. They instanced the Industrial Gazette, published monthly, the "Slow Workers' Clause" in many wages awards, and Sick Benefits allowed by unions, as clear evidence of the safeguards adopted to protect the less skilful or less fit worker.

MR. SEIDLECKY detailed the conditions of the workers in certain bottle works in Russia, under a system of non-unionism. The workers were reduced to physical wrecks in five years, and then thrown out to perish. The delegate then gave his views upon Socialism as a remedy for industrial evils, criticising the efforts of Labour Governments as having failed to solve the problem of the workers.

SEVERAL DELEGATES then discussed the pros. and cons. of Parliamentary action by organised Labour.

DR. RADFORD, Bishop of Goulburn, said that with regard to preference to unionists, he was quite prepared to face the economic problem, if he could satisfy himself that preference could be justified on ethical grounds. If it could not, it would not stand the test of time; it would have to go down. He instanced cases of non-unionists with conscientious scruples. Certain men declined to contribute to an association from which they, with others, had benefited. But was it not an infinitely greater wrong to force such men into membership of any society, even of the highest type? A society could not afford to ignore the law, and as soon as it depended on force to secure membership of an organisation, it sinned against the deepest source of its own moral strength. He was not condemning unionism, but he would like some further light on the subject.

MR. ATKINSON said that the question raised by Dr. Radford cut at the very root of majority rule, the justice of which was derived from the known fact that no individual found himself in the minority on every question. He (the speaker) was strongly opposed to certain laws, but was satisfied with the assumption that over the whole range of legislation he was more frequently in the majority than in the minority. So it was with the vast number of citizens. Many people spoke of the rule of the majority as if it were hopelessly unfair to minorities, forgetting that such minorities change in personnel from day to day. By far the great majority of non-unionists were so, it must be admitted, for reasons which were despicable. This disposed of any idea that they were, as a type, morally worthy of support. No majority rule was perfect, but that of the unionists was preferable to leaving it open to the non-unionists to invade privileges won by unionism, and weaken its force. This did not settle the question of the effect of preference on political action, but on the point raised by Dr. Radford, he thought preference ethically justifiable, though it might not be always expedient. Mr. Atkinson complimented Mr. Eggleston on his paper, describing it as one of striking sentences, provoking keen thought.

ANOTHER DELEGATE said that the great obstacle to progress was too much insincerity. If people would only be sincere, we should not be far off the Golden Age. He had listened to a lot of talk about brotherly help and co-operation, but how far did it go beyond talk? If the unionists were what they would

have one believe, they could settle most of the difficulties right away. Take, for instance, the Housing Problem, about which we have heard so much. Let every unionist in N.S.W. put one shilling a week into a building fund, and how long would that problem persist? They had proved that they had the brains, they had the organisation, they had the men in the building trades to do the work, and they could soon find the money. No, he continued, they did not want these things. All they wanted was a chance to talk at the Trades Hall about what they had no intention of ever carrying out.

MR. EGGLESTON, in replying to the discussion, said that he had purposely made the paper a little "hot," to stir the workers up. In Melbourne, one could not get the workers to move by talking. One had to hit them, and hit them hard. If he had caused the delegates to think, he was satisfied. As to the Government entering into the industrial field, he regarded that project as unsound if applied generally, and not to the best interests of the community.

Industrial Arbitration in Relation to Socialism

BY F. A. A. RUSSELL, M.A. (SYDNEY),

BARRISTER-AT-LAW

When I read a paper on the present subject before the Economics Section at the meeting of the British Association for the Advancement of Science here last year,* I could not assume that those present would understand the history of Industrial Arbitration in this State, and the sphere it fulfils; but at this meeting, I am ad-can step at once to the matter of my essay.

It is my view, and I expect to be able to show, that the Industrial Disputes Act (Wade's Act) introduced a larger measure of Industrial socialism than the Parliament which passed it, or the public for whom it was passed, realised at the time—indeed, I think there are comparatively few people among the public who realise to-day what tremendous changes in the Industrial structure of society are capable of being achieved, and are in part going on now by means of Industrial Arbitration.

So far as the immediate purpose of the Wade Act went, it was entirely successful in allaying the congestion that had arisen in the former Arbitration Court (under the Wise Act) and the discontent caused by constant Writs of Prohibition issued from the Supreme or High Court, and when it was superseded by the present Industrial Arbitration Act (Mr. Beeby's Act) very little real change was made. Mr. Beeby's Act preserved the Board system; in fact, made the jurisdiction of Boards more important and the system a bigger one and more elaborate, because, as you may remember, under this present Act, in July, 1912, at one stroke a complete system of new Boards was established, and every new Board was given the area of the whole State for its jurisdiction (except Broken Hill district).

* Journal of the Institute of Bankers, N.S.W., Aug. and Sept., 1914; and in the Economic Journal, Sept., 1915.

This legislation has introduced, or, to speak more truly, enabled, a completer regulation by the State, in the interests of the State of private enterprise, than we have been familiar with; it did so because the movement was already on foot and had commenced under the Wise Act, in other words, the Wise Act introduced into our legislation a new principle, and the Wade Act installed the machinery; and the machinery which was installed by the Wade Act having been continued by the Beeby Act, one is enabled in a criticism of the operation of industrial law to regard the present system as having been continuous since at least 1908.

Having chosen for my theme the relation between Industrial Arbitration and Socialism, I should like to explain (so that the matter shall not be in doubt in the mind of any of my audience, nor my subsequent remarks be misunderstood) my own attitude to Socialism. I do not wish to be labelled a Socialist, as there is no particular political Ism to which I should like to give a whole-hearted adherence—once, if I deemed it necessary to range myself either as a Socialist or Individualist I would have called myself an Individualist; nowadays I do not think so much along those lines of antithesis, but believe that a more complete organisation of the social body may go step for step with a higher and completer individualism. I am no advocate, therefore, for any form of socialism which (like the Prussian) would conflict too greatly with individual effort, responsibility, attainment, etc.

In addition to the present N.S.W. Act, under which all the Boards and State Awards have their force and existence, there is, as you know, the Commonwealth Conciliation and Arbitration Act, under which we may have separate and independent Awards sometimes overlapping the State Awards. Then the number of State Awards operating in N.S.W. is enormous, something over 200, I suppose, and the number of Federal Awards operating here is also considerable. Each of these Awards appear to have some legislative effect, only valid, of course, in so far as it is authorised by the Act, but nevertheless there is something of legislative effect in each Award over and above the matters that are fully expressed in the Acts themselves, and thus the detail of the whole mass of industrial legislation is very great and complex.

Now in what direction is all this Industrial Legislation taking us? Is it possible to note and define the direction of this very modern movement? I think that to some extent it is.

I think, and shall attempt to show you, that the spread of unionism has been assisted by industrial arbitration—that unionism is itself a socialistic thing, and not (at any rate, not necessarily) harmful to a proper individualism: that industrial arbitration has

paved the way to preference being granted to Unionists generally, and that unionism will itself require State regulation.

With regard to the first of these propositions that

UNIONISM IS ASSISTED BY INDUSTRIAL ARBITRATION,

I have worked so much in the Chairmanship of Boards since the Wade Act that I have myself seen the increase of Unionism going on, and aided by the Arbitration system.

Very soon after Industrial Awards were obtainable in Sydney, Union after Union wanted a country Board for its industry, and Union after Union obtained a country Board or Boards either for the State or for a district, and in the result Unionism was carried into country parts and established there in industries in which it had not previously any great foothold. The process of extending and consolidating Unionism throughout the State is still going on, and the Board system was used by many Unions to increase themselves. When a Union has obtained an Award its Organiser is able to go round to the employees in the industry and say, See what we have obtained for you: here are hours beyond which you cannot be worked without receiving overtime pay; here are wages below which your employer can never reduce you, and so on, pointing out to those they canvass that it would be selfish and mean to remain outside the Union or abstain from contributing to the funds of the Union which has obtained those benefits for them. One advantage of the Preference to Unionists clause is its great organising value—nearly every Union has, I think, been increased in membership upon showing its ability to obtain an Award, especially if it can show that it has been given preference, and some Unions, I fancy, are almost built upon the Award. The building of Unions upon Awards is a thing which is in part effected in the following way:—

In making country Awards it is sometimes necessary for Boards to go to the country for evidence. In such cases the Union Secretary is usually travelling with the Board; he may be the advocate before the Board, in which case the Union pays his expenses. The Board does not spend the whole of its time taking evidence; there is necessarily always a little lost time on arriving at a country town, and before commencing work, and again on leaving before catching a train or other conveyance out of the town; this time, and extra time at night, are often utilised by the Union Secretary in propaganda work. If he is travelling as advocate at the expense of the Union, the Union is able to kill two birds with one stone, that is, on one set of travelling expenses the

Union utilises its Secretary both as advocate and organiser. But if the Secretary is a Board member the Union may be in even a better position: it may have no travelling expenses to pay. The Government pays for Board members.

UNIONISM IS SOCIALISTIC, BUT NEED NOT PREJUDICE INDIVIDUALISM.

I am personally in favour of preference to Unionists, and look upon it as a social duty for every man to join the Union which looks after the interests of workmen in his particular industry or calling, and the reasons I would give for my views are these:—That a man born into a civilised State who becomes a civilian of that State must either subscribe to its laws and pay its taxes or become an outlaw; if he is a very pronounced individualist he becomes an outlaw from Society, or rebels openly, and we have a good deal of sympathy with him when he goes under in the end; if he is an outlaw secretly he is, in fact, treacherous, and an undesirable, because other civilised persons do not know his secret tendency or intention, and deal with him on the footing that he will behave in a civilised way towards them, and he accepts the treatment given him on that footing. Now it is, I think, generally acknowledged that in conforming to the law of one's State and paying taxes thereto, there is no hardship to the normal and rational man, and no real loss of liberty: that the security which the State offers to the individual gives him the opportunity for much more individual freedom than he would have enjoyed had he not been fortunate enough to be a citizen at all; and that this more than compensates for any loss of independence due to observing the social conventions and laws of the State. Upon an analogy of this kind it seems to me one should look at the duty of a man engaged in a calling to the Union which looks after the interests of its craftsmen or industrials, and the desirability of joining that Union.

Every man who works in a recognised calling where there is a controlling Union which has succeeded in obtaining certain conditions, and especially in establishing certain standard rates of pay, necessarily receives benefits from that Union, and leaves himself free for a higher individual development in other directions by reason that he has not to be constantly and personally on the lookout and on the defensive to maintain his own rate of wage.

Many employers, I find, consider that their justest objection to preference to Unionists lies in what they term its menace to personal freedom. But as I have indicated, I think the personal

freedom of the man who becomes a Unionist or receives its advantages is greater than that of that non-Unionist, in the same sense in which the personal freedom of a citizen of a civilised State is greater than the personal freedom of a savage. So in my work with the Boards I recommend employers to grant preference, and if I can, I get them to do so in suitable cases. But where no agreement is obtained, seeing that under the present system a claim for preference is treated as being capable of being based on evidence, and the duty of a Chairman is to decide a matter which is left to his decision judicially, and on the evidence, I have, when I have been put to the vote, found very often that I had to vote against preference by reason of the absence of evidence in its favour, or even what seemed to me positive evidence against it.

Other Chairmen are no doubt in the same position, and the only recognised principle on which preference can be obtained upon evidence in N.S.W. is after proof of a majority of those in the trade being in the Union. Whether by reason of this proof or by reason of bargaining between the parties, the number of Awards in which preference to Unionists is given is constantly upon the increase: it may be noticed that this (preference) is not a thing which is obtained only from Boards and Justices; in cases of industrial agreement Unions are frequently strong enough to obtain for themselves in bargaining a more complete preference than any board can legally grant. Employers have thus been familiarised with a system of working their businesses with a full recognition of the Unionist activities of their employees, and the preference that can be given in New South Wales being limited to cases where Unionists and non-Unionists apply at the same time, and other things are equal, is so mild in character that there could be very few cases of individual hardship. The State and the Commonwealth both having some time since placed in their legislation the power to grant preference to Unionists as a proper industrial measure, have now finally themselves recognised that a measure which may be proper to order in the case of private employers may be proper for themselves to adopt, and seem to have adopted a system of preference to Unionists.

These considerations show, I think, that industrial arbitration has mightily assisted Unionism to obtain so much recognition. This preference to Unionists when granted, it may be noticed, is a very small thing to the individual. If preference to Unionists were completely effective, it would merely drive all men into Unions, then no one individual would have preference over any other; but the Unions themselves would be stronger. Thus the granting of preference has more direct effect upon collective bodies and collective bargaining than upon individuals.

UNIONISM ITSELF WILL REQUIRE STATE REGULATION.

To my mind, as a lawyer, this hardly seems to require explanation. Whenever the State or Governmental authorities take notice of anybody other than individual persons (natural persons, as we call them in the law), as, for instance, Corporations or other collective bodies, it becomes at once necessary to know their constitutions, their limits, abilities, and so on. Thus the management of companies and other corporations is very largely State controlled, and in my view that State control should be exercised with consideration to the benefit of the whole community. Trade Union Secretaries who have had anything to do with the business of registration of their Trade Unions know that under the Trade Union Act, the Friendly Societies' Act, or the Industrial Arbitration Act (as the case may require) their rules have to be submitted to, and be scrutinised by, departmental officers, to make sure that they are within the provision and contemplation of those Acts. Many of my audience will remember clauses granting preference to Unionists in Awards, and especially in common rules of the earlier days of the present system, in which the preference is made conditional upon the Union following certain rules, I mean clauses such as this, "so long as the rules of (the applicant Union) permit workmen of good character and sober habits to become members upon payment of not more than five shillings entrance fee and a subscription of not more than thirteen shillings per annum, then as between members of the Applicant Union and other persons offering their labour, etc., etc." This class of clause used to seem to me to be very important. It is at least doubtful whether preference ought to be granted to a Union which contains a great number of girls and boys and gives them equal votes with men; or to a Union whose subscription is so expensive that the common man is not able to belong to it; or to a Union which has rules that may be described as anti-social; and I used to require a Union book of rules to be put in as evidence for scrutiny by the Board, before I would vote in favour of preference to Unionists. But on the whole I have come to the opinion that, though this is most desirable to be done, it is not in the N.S.W. system the duty of the Board to see to this; for the Act give the Union the right to apply for preference when once it is registered as an Industrial Union, and that must mean that it is a fit body to grant preference to, and the time for looking into the rules and objecting to any that are improper or unsuitable is when the Union is registered, and that is done by the Industrial Registrar.

I think the importance of having regard to the Union's rules has become more and more pressed upon those having the adminis-

tration of the Industrial Arbitration Act, and that further regulations have recently been made under the Act upon this very point. I have said enough, perhaps, to show the logical need for State interference in Union Rules, that is, a certain amount of State interference in the management of the Unions, just as there is State interference to some extent in the management of companies, and, as I think there should be, even more.

But a more serious consideration still presents itself: if the State does not regulate Unionism, Unionism will possibly regulate the State. If we can conceive a very big Union with enormous voting power, free altogether of State control, that would be a machine which might conceivably grow to such proportions that it would, in fact, become the State, and such a prospect affords a general reason for believing in Governmental control of Unionism.

CRAFT OR INDUSTRIAL UNIONS.

Now, I shall turn to the subject of Crafts versus Industries, which you have already discussed so much, not only in this meeting, but, in many cases, from day to day. The craft system of Unionism can be applied also to the making of awards and to the limiting of the jurisdictions of the Boards or Courts which make the Award. And the Industrial System, on which many Unions are based, is one which challenges and rivals the craft system in its suitability for providing a principle on which the jurisdictions of courts or boards may be marked out or exercised, that is, of the principle upon which awards may be made. It seems to me that the crafts system can be applied in its perfection only in the cases of recognised and very definitely distinct crafts and callings, though it need not be merely limited to those trades or occupations, which, for a long time, have been recognised as skilful, and been callings in which lads are apprenticed. Carters are not apprenticed, they are not classed as craftsmen in a complete sense of that word, but you can separate carters out of the industry in which they find themselves and put all carters in one Union, under one Board or Group of Boards, and under one Award or class of Awards; so, though the craft system may not be capable of universal application, it can, in the field of industrial arbitration, be comparatively widely applied. The Industrial system again can only be applied in comparatively large industries or well known classes of business, and to make Awards for all kinds of small nondescript businesses would be very difficult, and out of proportion costly.

Neither system is so complete and far-reaching that it will logically provide a niche for everyone, but upon the whole my view is that the industrial system for furnishing a basis for the scope of awards is more natural to present-day conditions, more up-to-date,

reasonable and competent than the craft system. I am not a partisan of either system to the exclusion of the other; I am quite sure that neither is alone capable of thorough application to existing conditions. No simple question can be presented and solved by mere learning and argument, whether the legislature should classify and deal with workers and the industries they are in, on craft lines or industrial lines, or whether such discretion as is reposed in the Industrial Court should be used in favour of one system or the other.

The Legislature and the Court alike have to take hold of an existing industrial world, which is not systematic, and apply their legislation and awards to that existing world. In the present day, after long industrial development, we find the trades and industries themselves are differently organised, the carpenters, coopers, stone-masons and many others are craftsmen of long standing; they bring some traditions, I fancy, from a time before the modern industrial system was developed; they have their own craft Unions, and the continuance of these is a good and necessary thing. No one, I am sure, could wish to destroy such a Union as the Operative Stone-Masons' Society or the Carpenters' Unions with their benefit and tool funds, but under modern conditions other and younger Unions have grown up having less relation to the past, whose bond of Union is the industry in which their members find themselves. Such are the Gas Employees' Union, the Tramway Employees' Union, the Saw Mill and Timber Yards Employees' Association, and a good many more. Such Unions often have points in dispute, from time to time, with the older craft unions. Let us suppose the Australian Gas Company to take into its employment a journeyman plumber, who is a member of the Plumbers' Union. He will, by virtue of the Industrial Agreement between the Gas Employees' Union and the Company, have to join the Gas Employees' Union. Should he be compelled to continue to pay his subscription to the Plumbers' Union? I doubt it. If, then, we find Unions of both types in existence, vigorous, fulfilling an apparent need and a useful industrial vocation, it must be that there is room and requirement for both types, and our choice in any particular case cannot be made upon some arbitrary principle, but is largely made for us by existing conditions. The introduction of a principle which might have the effect of disrupting a good strong, old-fashioned craft Union or dissociating it from the work of industrial arbitration would be injurious and lead to trouble, and the establishment of a principle which would disrupt or destroy the usefulness of a Union such as the Gas Employees' Union or the Saw Mill and Timber Yards Employees' Association would likewise create trouble and do no good.

Nevertheless, industrial arbitration can aid or retard the development of certain principles in Unionism. Probably, therefore, the best

principles should be sought for and applied, and I think that, though the craft system will require to be preserved for a long time (much longer than any of us are interested in), and must not be sacrificed, yet upon the whole the industrial system can be shown to be more modern, suitable, and open to evolution and progress than the craft system.

The working man is upon the whole very conservative, that is my firm conviction. So is the employer. And when these matters are debated things are very apt to be settled upon principles of business convenience. The Craft Unions like Craft Awards, because they are easier for the Union to manage, less burdensome for the Union Secretary, who could not possibly attend before all Boards, but he can always attend before a Board which is devoted to his single Craft, and the Craft Unions have therefore every business consideration joined with the desire for self preservation leading always in favour of Craft Awards. The employer of a large number of men in any definite industry, as we know, has always favoured Industrial Awards, where he will have all his employees under one Award, and is at one with the Industrial Unions in this. The reason has been business convenience, just the same reason that made the Union Secretary of a Craft Union favour the Craft Award. Under an Industrial Award the employer can keep his hours more uniform; he can have his Industrial Business attended to before one Board instead of being concerned with the doings of many Boards; but I think the main considerations are of greater importance in character than those of business convenience. The real test, I would suppose, for determining whether the Craft System or the Industrial System of awards should be regarded as superior, lies in answers to such questions as whether the profits or earnings of an employer are relevant to the wages to be paid to his workmen or not. I think the profits are relevant to the question what wages should be awarded for the reasons:

- (1) That wages and profits alike come out of the earnings or products of the business.
- (2) It is common experience that men are in fact somewhat better paid when working for an employer having a profitable business than when working for an employer who is losing money; the occasional granting of bonuses to employees in a good year is an instance of this.
- (3) The Acts of 1908 and 1912 contemplate the lack of profits sufficient to pay the wages demanded as a natural line of defence available to the employer, and make provision for the way in which that defence can be tested; thus the Legislature recognises the relevancy of profits.

- (4) The experience which has led employers at times in the past to ask their men to accept a percentage reduction of wages rather than close the works, and the men to agree thereto, is further proof.

Now if the profits or earnings of the business are economically relevant, it seems clear that those who honestly think that the workman has not yet been able to secure his full share of the fruits of industry should organise upon industrial lines, because in an argument as to wages between all in an industry and their employer, an enquiry into profits being relevant is also possible, and if there is a group of employers in question it may well be equitable as between employers who are grouped together on the same side of the enquiry, and engaged in the same class of business. And those who honestly think that the workman has got too much may require to go into the finances of the business to show it. But if an engine driver must have the same wage (or the same minimum wage, which means nearly the same thing) in whatever industry he happens for the time to be engaged, and if all carpenters are to have the same wages that may be awarded in a Carpenters' Craft Award, it certainly seems that the profits or losses of any particular industry must, in relation to engineers or carpenters' wages, be irrelevant, and so on with other craftsmen.

I believe this consideration of relevancy of profits alone indicates a superior applicability of the industrial system not possessed by the Craft system; but there are considerations more important still. A system built upon industrial lines will allow for change and development along the lines upon which modern industry itself develops, while a system of craft organisation will tend to impede any such development. Thus, if new machinery be introduced into an industry governed by an industrial award, the men who are put on those machines will soon have a wage allotted to them adjusted to the skill, arduousness, conditions of exposure, etc., involved in the working of those machines. In like manner, if by machinery or otherwise (as by improved sub-division of labour), the operation of making an article for which the services of a skilled craftsman were formerly needed has been subdivided into a set of factory operations, the factory hands can readily be given a place in the industrial system commensurate with their merits, and with the requirements of the case; but the skilled craftsman is an opponent to change of this type: he does not want to see machines displace his craftsmanship, nor subdivision of labour, coping with large demand, turn parts of his art into factory operations. The stonemasons originally resisted stone planing machines, and would not have men who used them in their Union. The like happened with joiners and wood-working machines, and the like with the coopers. Stonemasons

in New South Wales have to some extent changed their minds, and the Sawmill and Timberyards Employees' Association, a union of more modern type, is opening its arms to varieties of wood-workers, and has embraced the wood-machinist whom the carpenters and coopers alike ignored.

If crafts unionism were unduly encouraged by the creation of craft jurisdictions and craft awards wherever possible, I am afraid we should be embracing a scheme which, if it became permanent, would tend to kill change and stereotype the present professional and industrial system. Whatever might be the requirements of the future, it would still be necessary that men should be trained to be lawyers, doctors, dentists, tailors, carpenters, and great difficulty would be thrown in the way of changing from one occupation to another. I can see no reason why we should be committed to such a habit, but conservatism should welcome the craft system.

It seems likely that the industrial system would favour syndicalist action, while the craft system would afford a check to syndicalism, and the more highly skilled crafts might be played off against the less skilled. It may be that there is some danger to society in syndicalism, but I think this must be managed and avoided by some other means than by discouraging Industrial Unions.

A further consideration leading to the view that the industrial form of Board, or Union, is the form towards which there is an inevitable tendency, may be found in the working of the group system of Craft Boards instituted under the present Act. In the working of a group of allied Boards the relation of one branch of the group to the other is kept naturally in view. At the present time stonemasons get the highest hourly wage in the building trade group, bricklayers, plasterers and slaters come next, and stand on the same level of wages; then carpenters and joiners, plumbers and tile-layers, while all these have wages in advance of those paid to painters.

If the groups were made permanent a certain relative position would be reached as to the wages of one set of these craftsmen as compared with the others; and after a time, when the fullest consideration had been given to each, it would be found very difficult for one craft to improve its position relatively to the other. The whole building trades group would then be advanced or reduced in wages as a body, and the other conditions relative to hours, holidays, etc., though they might not become identical, would tend to become similar. The result would be that in a comparatively short space of time it would be possible to bring all the building trades group awards into one large industrial award for the building industry. That seems to me to indicate the industrial system as the one

towards which we are moving, and if we turn to consider the movement that is going on among labour bodies the presence of a Building Trades Federation and such like bodies would appear to confirm this view.

WAGES.

Turning to this subject I may say there are some reasons for supposing that the rise in wages of the last ten years has been due, in a great part to quite other causes than this or that arbitration system, and favouring the view that the Arbitration Boards and Courts mere register and regulate the changes of rates of pay—a view which I have dealt with elsewhere.*

LEVELLING UP OF THE LOWEST PAID WORKERS

So far as any sociological results appear as yet to be emerging from the welter of a multitude of claimant unions and their awards, and the wages awarded therein, I think the following conclusions may be indicated, but only, as yet, with a great deal of reserve and hesitation. Indeed, I put them forward rather as conjectures than conclusions, and time does not admit of furnishing the reasons on which I would support them. Some of my reasons are indicated in the former paper I published on this subject. Subject to this warning, I put forward the following conclusions:—The rising tide of wages as awarded has been most beneficial to the unskilled workers, labourers and persons on the lowest paid grade or rank in each calling. These wages have advanced in some cases from 6/- to 9/-, or by 50 per cent. between 1905 and 1914 (July in each case). It has not been so beneficial to the skilled workers. In some cases the increase which they have obtained in wages has been actually less than the percental increase in the amount of money required to purchase Mr. Knibbs' £1 standard worth of commodities in Sydney, which is nearly 30 per cent. 18/9 in 1905, against 24/1 in 1914; Knibbs' Labour Bulletin, No. 7, p. 178). From this one may presume a somewhat improved standard of comfort in the lowest paid classes, combined with an effort to maintain their position among the skilled artisans; and an increasing pressure on those whose wages, salaries, etc., are just above those of the classes included in the Industrial Arbitration scheme. Of a certainty the apparent increases given by the awards are somewhat more than a true measure of the real increase of the last ten years; for at first the award rate was nearer to a true minimum than it is now. Now it is usually a standard wage that is awarded.

* "Journal of the Institute of Bankers," Aug. and Sept., 1914.

CRUSHING OUT OF SMALL EMPLOYERS

The bringing in of a new award with a duty to pay higher wages is sometimes a cause of loss to employers who have entered into contracts to supply work and labour, or the result of work and labour, at a fixed price (builders and others). This is most felt by the man in a small way of business, who is just working his way into the employing class and has only a narrow margin of capital to fall back upon, and may easily be driven into bankruptcy. The wages awarded are apt to be those that up-to-date and efficient businesses can pay. There is a tendency, therefore, to weed out the smaller man and the less efficient man, and to assist in the triumph of the large, well-managed business over smaller and over less well-managed businesses.

QUESTIONS AND DISCUSSION

ON

INDUSTRIAL ARBITRATION IN RELATION TO SOCIALISM

MR. RUSSELL, in reply to questions, said that in his opinion the State must regulate unionism. He strongly favoured Industrial in preference to Craft Unionism. It was, however, a question beset with difficulties. There were many good features about the craft unions, which it was desirable to preserve in any future system. But they had a fatal tendency to become exclusive and conservative in their organisation. The industrial unions were a recent development, and more progressive, though at times they were apt to develop revolutionary tendencies, which distracted their organisation. Still, they were more elastic in their constitution, and could better adapt themselves to the changing conditions of modern industries. For that reason, he believed, they should be encouraged. At the same time the interests of the crafts should, of course, be safeguarded, where there was likely to be any injustice.

A DELEGATE said that the employers favoured industrial unions because they could employ unskilled workmen to do tradesmen's

work at lower wages. The speaker quoted various awards, which, he alleged, bore out this contention.

MR. RUSSELL replied that the employers were not guided in their bargaining by ethical consideration, but by the rules of business convenience.

MR. SPENCE spoke very strongly on the need for emphasising the ethics of collective bargaining, which should take the place of the wrong principles that victory should go to the strongest. He objected to the practice of taking into account an employer's profits, in estimating the wages he should pay to his men. How, he asked, could profits be estimated when companies watered their stock, and adopted other means of hiding what their returns really were?

MR. OVINGTON spoke at some length upon Socialism.

MISS MATTHEWS advocated industrial unionism as being more progressive, and possessing a fighting spirit of which they were proud. They would continue to fight until they secured social justice.

MR. RUSSELL, in reply to the discussion, said that Mr. Spence was right in suggesting that enquiries into profits were difficult, but he believed that they could be carried out under improved arrangements. Industrial Arbitration might, as had been contended, turn out to be merely a palliative, and Mr. Holman (the Premier of N.S.W.) had once suggested that it would pay the workers better to put their energies into an attempt to keep down prices than to send wages up. On the other hand, it might be that the Industrial Board system was capable of development, so that it would provide a wider and better justice than had ever existed before. All these questions needed far more study than had been given to them.

Impressions of the Conference

BY "OBSERVER."

"OBSERVER" is a professional man of Sydney who, though detached from party politics, has had exceptional opportunities of studying the Labor movement, and here gives us the benefit of his sympathetic understanding.—ED.

The editor has asked me to give, in the frankest possible way, my impressions of the Conference on Trade Unionism. He flatters me by telling me that he knows my account will be free from bias. I will try to be worthy of his confidence.

First let me congratulate the Workers' Educational Association of N.S.W. in initiating a Conference of such great significance and importance as this has proved to be. It seems impossible that such a gathering could have been called into existence without the W.E.A. No other of the organisations, which took part, would have been free from suspicion in assuming the initiative.

The composition of the Conference is worthy of remark. As was right and proper, the great majority of the delegates were representatives of trades unions, but there was a noteworthy sprinkling of Ministers of State, Members of Parliament, University Professors, employers, barristers, and other professional men, not forgetting an Anglican Bishop. This happy mixture is in itself a portent. It did not seem to me to signify the approach of a social compromise—if indeed that be desirable at present—but a welcome readiness on the part of thinking men of all classes to reason together about one of the most important movements in these days of modern democracy. More important still, it signified a desire on the part of organised Labour to analyse its own history, its achievements, its shortcomings and its ideals. I must confess I was pleasantly surprised at the willingness of the trade union delegates to submit their movement to strict examination, and to admit "the little done, the undone vast," when measured in the light of their great ideals. The prediction of one delegate, that "some of the papers would have a rough passage" was, to the disappointment of

many of us, falsified by events. From the critical point of view, the discussions were often extremely tame. And that was surely the best justification of the Conference. It was obvious to all impartial observers that unionists had never sat down to a real analysis of their own problem. That was at once the reason why the most thoughtful of the delegates welcomed the occasion of the Conference, and also the chief reason why the discussions were so disappointing. One knew that these men and women were keen debaters, but they sometimes exposed their unpreparedness for the stiff work of self-analysis, backed by historical knowledge, which they were suddenly called upon to undertake. The debaters fell generally into two classes, the first comprising men and women whose thought and action had for years been concentrated upon the details of trade union administration and industrial reform, the second being composed of those who devote the bulk of their energy to preaching a particular remedy for all social ills. Undoubtedly, the most helpful observations came from the first class, for their acquaintance with practical affairs had equipped them better for the work of the Conference than doctrinaire studies. The Socialists and Revolutionaries, on the other hand, seemed to me to misconceive the task before them. It was neither the place nor the time for high-flown peroration. They did not seem to realise that everyone of their audience possessed a considerable knowledge of the aims of socialism, and, further, the thing most required of the Conference was the subjection of the problems of trade unionism in Australia to close and critical examination. I have often thought what a pity it is that some of the most intellectual socialists give so little attention to the practical problems of economics, which they admit to be worthy of study. Many of the most irrelevant points raised in the discussions seemed to be due to this wrong view of the purpose of the Conference.

Another factor reduced the value of the discussions. I refer to the frequency with which the same speakers caught the chairman's eye. This, the besetting danger of all Conferences, was aggravated by the change of chairman at each session. The "bright particular stars" of Sydney Labour Council debates often had it all their own way, and loud were the complaints voiced by the delegates against the "vain repetitions" of these speakers.

But enough of criticism. My overwhelming impression was one of satisfaction and hopefulness. All the delegates to whom I spoke were loud in their praises of those who promoted such a worthy object. Both from the Trades Hall and the University one heard the same remark—"an epoch-making event." Everywhere one felt the spirit of a new beginning. The Labour delegates were avowed-

ly discontented with the stage reached by their own movement. While all recognised the wonderful work accomplished, it was confessed that a sort of deadlock had been reached, and that the only way out lay along the path of new ideas. Education in all directions, but essentially deep study of history and economics, was seen to be essential. Everyone saw, too, the immense field of opportunity opened up to the workers by University Tutorial Classes, and all the other activities of the Workers' Educational Association. Moreover, several University men present told me that in two days they had learnt more about the Labour movement than ever before. The Universities have much to learn from the people, and will be richly repaid for all the knowledge that they impart. Another impression was that nobody regarded the Conference as final. It was but the beginning of bigger and better things. I feel sure that the W.E.A. will not be slow to take the hint.

List of Organisations Represented

WITH LIST OF DELEGATES

Australian Engineers	E. Davis
Amalgamated Carpenters (Sydney District)	A. Newbery
(Wollongong)	B. Cullingham
Amalgamated Painters	A. Bremner
	P. Lowe
Association for the Advancement of the Blind	H. McCloy
Australian Workers' Union	Hon. W. G. Spence
	C. Akhurst.
Australian Workers' Union (Armidale Branch)	J. Andrews
	A. Blakeley
	C. Last
	L. Cunningham
Balmain Co-operative Society	J. Ferguson
	H. Masters
Blacksmiths' Society	Philip Adler
	John Winning
Brushmakers' Union	A. Sale
Bookbinders and Paper-Rulers	F. E. Mossong
Boot Trade Employees	W. McDicken
	Stephen Gower
Canister Makers' Union	F. J. Smith
	J. Ryan
Cokeworkers' Association	G. E. Schadel
	J. M. Walker
Cigar Factory Employees	W. T. Newbery

Electrical Trades' Union	J. H. Mostyn S. J. Bryant C. W. Street D. E. Black
Economic Research Society	Hon. J. A. Brown, M.L.C. Prof H. G. Chapman T. R. Bavin H. S. Nicholas R. Ovington
Federated Ironworkers' Association	F. Giles
Federated Marine Stewards	Martin Ebsworth
Federated Moulders' Union	H. Connell J. Macallum
Federated Engine Drivers	J. Waring
Furniture Trades' Union	C. Bamford W. Morby
Federated Ship Painters' and Dock- ers	Herbert Scrimshaw Thomas Sloan
Federated Masters and Engineers	W. Barnes
Gas Employees' Union	W. Farrell F. Hall
Glass Bottle Makers' Union	H. D. Thompson S. Seidlecky
Government Tramway Employees' Union	A. C. Warton
Hospital and Asylum Employees' Union	F. C. Glynn R. West
Hairdressers' Union	T. W. Kelsey
Illawarra Colliery Employees' Asso- ciation	Thomas Thompson A. C. Willis
Labour Council of N.S.W.	W. L. Duncan J. F. O'Reilly W. O'Brien F. Macqueen

Letterpress Machinists' Union	T. H. Bell
Letter Carriers' Association	W. E. Driscoll
	C. Oeannon
Labour Council (Wollongong)	H. P. Melville
Millers and Mill Employees	R. Bates
Operative Plasterers	G. Hudson
	A. Cooke
Operative Stonemasons' Society ..	Thomas Tripp
	L. Mannix
Operative Bakers' Society	D. McKenzie
	J. G. Halliday
Public Service Association	Miss May Matthews
Progressive Carpenters	T. Martin
Political Labor League (Executive)	Hon. E. R. Farrar, M.L.C.
	D. Guihen
	T. D. Mutch
" " " (Wollongong)	H. A. Lysaght
Public School Teachers' Association	J. Cousins
" " " (Wollongong)	W. Allen
Public School Teachers' Union	H. J. Smyth
Quarrymen's Union	George Davis
	Patrick Ryan
Railway Workers & General Labour-	
ers' Association	S. R. Nicholls
	W. C. Bowden
	Lance Evans
	Wm. Rosser
	J. Webster
	Wm. Murphy
	E. O'Donoghue
	D. A. O'Sullivan
Railway and Tramway Service Asso-	
ciation	H. S. O'Dell
Storemen's Union	A. Fraser
Saddlery Employees' Federation ...	D. R. Balnan

Sign Painters	H. Bailey
Tutorial Classes—Wollongong	W. Davies
University No. 1	A. Macpherson
Drummoyne	G. V. Portus
Granville	T. S. Watson
Campsie	C. Church
Kogarah	Thomas Harvey
Trolly and Draymen	A. C. Bryhtfield
	C. Buckley
Tailors and Tailoresses' Union	J. B. Crombie
	V. John Fordyce
Typographical Association	S. J. Stanbridge
	E. C. Magrath
	G. C. Peacock
	W. H. Spooner
	R. H. York
United Operative Bricklayers' Trade Society	C. Fox
	J. Macdonald
Workers' Educational Association (Central Council)	J. G. Burgess
	H. J. Honeyman
	F. T. Berman
	W. K. Stewart
	C. Hook
	Rev. Dr. L. B. Radford
	F. A. Bland
	K. R. Cramp
	J. J. S. Wills
(Wollongong)	W. V. Brown
Watchmakers, Jewellers and Allied Trades	G. W. Shearer
Women Workers	Mrs. K. Dwyer
	Mrs. Flanagan

What is the Workers' Educational Association ?

In mere numbers the W.E.A. is a federation of some thousands of organisations, and many thousands of members and students, interested in the higher education of the people. It is established in Britain and all the Dominions, being especially strong at Home, and in Australia. The W.E.A. has meant a new vision and a new life to countless men and women of the people. It seeks to deepen and intensify the inner life of the people, by giving them knowledge saturated with the ideal of social service. It makes all its workers social and educational missionaries, who preach that knowledge is the servant of life. This movement can give *you* what you have been longing for—the inward illumination and informed judgment that enable men to leave the world better than they find it.

The organisation of the Workers' Educational Association is simple and democratic. The affiliated bodies govern its policy and administration through their elected delegates. Individuals may also become members, and secure a limited representation in the government of the W.E.A. No limit is set to the educational activities of the movement, which stands for the higher education of the people in every direction, seeking to bring the University especially into closer touch with the workers. To attain these ends, it promotes public lectures, educational conferences and investigations, study circles and tutorial classes, and assists students by correspondence. Its supreme activity is the University Tutorial Class.

The Universities, in conjunction with the Workers' Educational Association, establish and conduct University Tutorial Classes at any centre where a sufficient number of persons guarantee attendance. The object of such a class is to reach all people desirous of studying subjects of general interest over a systematic course. The subject is selected by the students themselves, and may include any study of a non-technical character. For example, such subjects

as Industrial History and Economics, Ancient and Modern History, Australian History, English Literature, Psychology, Musical Appreciation, Biology, and the Problems of the Present War, are all being studied by various classes in this State and in other parts of the Empire.

A class consists of from 15 to 30 students, who meet once a week during the winter months, usually for three successive years, at a time and place convenient to themselves. The University comes to the people; it does not ask the people to sacrifice more than a portion of their leisure. Each meeting lasts for two hours, the first hour being usually devoted to a conversational lecture by the tutor, the second being taken up with questions and discussion, when tutor and students thoroughly canvass the subject in all its bearings. The spirit of good-fellowship that soon arises makes this hour most fruitful in educational results. Attached to each class is a select library of books on the subjects of study. Each student purchases a text book at the cost of a few shillings. Besides giving a pledge to attend regularly to the best of his or her ability, every member of the class is expected to write one essay a fortnight (twelve essays a session). To many people this condition seems impossible, but the most wonderful results have been achieved by students who had no preliminary training whatever in written composition. It has been proved that what the people lack is not intelligence, but facility of expression. A sympathetic tutor, giving private help to all who need it, can produce remarkable progress in all cases.

The cost to the student is nominal, usually 5/- a year, to cover the petty expenses of the class secretary, who is elected by the members, the only other cost being the price of the text book. The tutor is provided and paid by the University. Thus, for a trifling sum, any member of the community can gain instruction in all problems that affect the life of the citizen and of society. So far, the response has been all that could be desired. It only remains to cover the State with a network of such classes to create a highly enlightened people, capable of solving their own problems.

University Tutorial Classes, and the movement generally represented by the Workers' Educational Association, stand for a phase

of University education hitherto neglected. A University exists not merely to train a few hundreds of professional men and women, but to spread knowledge far and wide amongst the people. Any system of education which leaves the adult citizen uninstructed in the subjects of daily concern to us all must be declared defective. This movement seeks to fill that gap. It offers no diploma or other prize to the student, but relies merely on his earnestness and the spirit of social service to achieve its object, the creation of a highly educated democracy. A tutorial class has neither creed nor politics. Nevertheless, it faces all controversial questions fearlessly, and under the inspiration of a common search for truth. There is no end to the possibilities of a democracy which acquires knowledge in this spirit. No man or woman over 18 years of age, of whatever profession or occupation, is barred from membership.

Throughout the British Empire this great movement now numbers its thousands of students, and many thousands of members and organisations. It is beginning to transform the ways of life and thought of British democracy. Further information can be gained from any of the persons named below.

GREAT BRITAIN	-	THE GENERAL SECRETARY W.E.A., 14 Red Lion Square, London, W.C.
AUSTRALIA	- - -	Joint Hon. Secs.: M. ATKINSON, University of Sydney; and D. STEWART, Education Department, Sydney.
NEW SOUTH WALES	-	M. ATKINSON and D. STEWART (see above)
VICTORIA	- - - -	Professor W. H. MOORE, University, Melbourne; J. H. LEATHLEY, Hon. Sec. W.E.A., c/o University, Melbourne.
TASMANIA	- - - -	HERBERT HEATON, M.A., The University, Hobart.
QUEENSLAND	- - -	E. MAYO, M.A., The University, Brisbane.
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